

Dated 14 August 2013

**ING BANK N.V.**

**SECURITIES NOTE AND SUMMARY**

**€50,000,000,000**

**Global Issuance Programme**

**Series No: 5549**

**Admission to Trading of USD 17,844,000 1 Year Mongolian Togrog Foreign Exchange Rate &  
Mongolia Credit Linked Note due March 2014**

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## INTRODUCTION

This document comprises two parts. Part One is a summary of the Registration Document and Securities Note (the “**Summary**”) and Part Two is a securities note (the “**Securities Note**”), both prepared for the purposes of Article 5.3 of Directive 2003/71/EC, as amended from time to time (the “**Prospectus Directive**”). The Summary and Securities Note have been prepared in connection with the admission to trading and listing of the Notes on NASDAQ OMX by ING Bank N.V. (the “**Issuer**”) of USD 17,844,000 1 Year Mongolian Togrog Foreign Exchange Rate & Mongolia Credit Linked Note due March 2014 (the “**Notes**”). The Notes have been issued by the Issuer under its €50,000,000,000 Global Issuance Programme (the “**Programme**”).

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

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

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

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

This Securities Note and Summary and the Registration Document have each been filed with, and approved by, the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) (the “**AFM**”) in its capacity as competent authority under the *Wet op het financieel toezicht* (Dutch Financial Supervision Act). The Original Base Prospectus was filed with the AFM and approved by it on 28 June 2012. The BP Supplements were filed with the AFM and approved by it on 10 August 2012, 4 September 2012, 11 October 2012, 13 November 2012, 22 November 2012, 19 February 2013, 25 February 2013 and 13 May 2013 respectively. The Original Registration Document was filed with the AFM and approved by it on 13 May 2013. The RD Supplement was filed with the AFM and approved by it on 9 August 2013. The Prospectus

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

- (a) the following parts of the Base Prospectus:
  - (i) the List of Parties;
  - (ii) the section headed “Summary of the Programme” in Chapter 1 of the Base Prospectus;
  - (iii) Parts 1 and 2 of the section headed “Risk Factors” in Chapter 1 of the Base Prospectus;
  - (iv) the section headed “Form of Notes” in Chapter 1 of the Base Prospectus;
  - (v) the section headed “Use of Proceeds” in Chapter 1 of the Base Prospectus;
  - (vi) the section headed “Taxation” in Chapter 1 of the Base Prospectus;
  - (vii) the section headed “Subscription and Sale” in Chapter 1 of the Base Prospectus;
  - (viii) the section headed “General Information” in Chapter 1 of the Base Prospectus;
  - (ix) Part 1 headed “General Terms and Conditions of the Notes” of Chapter 2 of the Base Prospectus;
  - (x) Part 1(A) headed “Description of the Credit Linked Notes” of Chapter 5, Part 1(A) of the Base Prospectus; and
  - (xi) Part 1(B) headed “Terms and Conditions of Credit Linked Notes” of Chapter 5, Part 1 (B) of the Base Prospectus;
- (b) the Articles of Association (*statuten*) of the Issuer;
- (c) the publicly available annual reports of the Issuer in respect of the years ended 31 December 2010, 2011 and 2012, including the audited financial statements and auditors' reports in respect of such years;
- (d) the press release published by ING on 19 November 2012 entitled “ING reaches agreement on amended EC Restructuring Plan”;
- (e) pages 11 and 13 to 28 (inclusive) of the unaudited ING Group 2013 quarterly report for the first quarter of 2013, as published by ING Group on 8 May 2013 (the “**Q1 Report**”). The Q1 Report contains, among other things, the consolidated unaudited interim results of ING Group as at, and for the three month period ended, 31 March 2013, as well as information about recent developments during this period in the banking business of ING Group, which is conducted substantially through the Issuer and its consolidated group;
- (f) pages 18 to 28 (inclusive) of the unaudited ING Group 2013 quarterly report for the second quarter of 2013, as published by ING Group on 7 August 2013 (the “**Q2 Report**” and, together with the Q1 Report, the “**Quarterly Reports**”). The Q2 Report contains, among other things, the consolidated unaudited interim results of ING Group as at, and for the three month period and the six month period ended, 30 June 2013, as well as information about recent developments during this period in the banking business of ING Group, which is conducted substantially through the Issuer and its consolidated group; and

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

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

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

The Issuer has requested the AFM to provide the Commission de Surveillance du Secteur Financier ("CSSF") 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 this Securities Note and Summary, the Registration Document and the relevant sections of the Base Prospectus and the List of Parties incorporated by reference into the Prospectus as described above, and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

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

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

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

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

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

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

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

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

## PART ONE: SUMMARY

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

<b>Section A – Introduction and warnings</b>		
A.1	Warning:	<p>This Summary must be read as an introduction to the Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole by the investor, including the documents incorporated by reference.</p> <p>Civil liability in respect of this Summary, including any translation thereof, will attach to the Issuer in any Member State of the EEA in which the relevant provisions of the Prospectus Directive have been implemented, but only if this Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering to invest in the Notes.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court in such Member State, the plaintiff investor may, under the national legislation of that Member State, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p>
A.2	Consent to use the Prospectus for subsequent resales or final placement of the Notes by financial intermediaries	The Issuer has not expressed its consent to the use of the Prospectus for subsequent resales or placements of the Notes.
<b>Section B – Issuer</b>		
B.1	The legal and commercial name of the Issuer:	ING Bank N.V. (the “ <b>Issuer</b> ”)
B.2	The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation:	The Issuer is a public limited company ( <i>naamloze vennootschap</i> ) incorporated under the laws of the Netherlands with its corporate seat ( <i>statutaire zetel</i> ) in Amsterdam, The Netherlands. The Issuer is registered at the Chamber of Commerce of Amsterdam under no. 33031431.
B.4b	A description of any known trends affecting the Issuer and the industries in which it	<p>The information provided under this item which refers to ING (as defined under item B.5) applies equally to the Issuer.</p> <p>The results of operations of the Issuer are affected by demographics and by a variety of market conditions, including economic cycles, banking industry cycles and fluctuations in stock markets, interest and foreign exchange rates.</p>

	operates:	<p>In 2012 the external environment continued to have an impact on the Issuer as the euro sovereign debt crisis in the Eurozone maintained a challenging economic and financial market environment for a major part of the year. This led to international capital and money markets not functioning in the manner they would in more normal circumstances. This had repercussions (for the Issuer, its industry and the broader economy) especially in Europe where funding for governments and financial institutions continues to be difficult in certain markets.</p> <p>The operations of the Issuer are exposed to fluctuations in equity markets. The Issuer maintains an internationally diversified and mainly client-related trading portfolio. Accordingly, market downturns are likely to lead to declines in securities trading and brokerage activities which it executes for customers and therefore to a decline in related commissions and trading results. In addition to this, the Issuer also maintains equity investments in its own non-trading books. Fluctuations in equity markets may affect the value of these investments.</p> <p>The operations of the Issuer are exposed to fluctuations in interest rates. The Issuer's management of interest rate sensitivity affects the results of its operations. Interest rate sensitivity refers to the relationship between changes in market interest rates on the one hand and future interest earnings and economic value of its underlying banking portfolios on the other hand. Both the composition of the Issuer's assets and liabilities and the fact that interest rate changes may affect client behaviour in a different way than assumed in the Issuer's internal models may result in a mismatch which causes the banking longer term operations' net interest income and trading results to be affected by changes in interest rates.</p> <p>The Issuer is exposed to fluctuations in exchange rates. The Issuer's management of exchange rate sensitivity affects the results of its operations through the trading activities for its own account and because ING prepares and publishes its consolidated financial statements in euros. Because a substantial portion of the Issuer's income and expenses is denominated in currencies other than euros, fluctuations in the exchange rates used to translate foreign currencies into euros will impact its reported results of operations and cash flows from year to year. This exposure is mitigated by the fact that realised results in non-euro currencies are translated into euros by monthly hedging.</p>																																
B.5	Description of the Group and the Issuer's position within the Group:	The Issuer is part of ING Groep N.V. (" <b>ING Group</b> "). ING Group is the holding company for a broad spectrum of companies (together, " <b>ING</b> "), offering banking, investments, life insurance and retirement services to meet the needs of a broad customer base. The Issuer is a wholly-owned, non-listed subsidiary of ING Group and is a large international player with an extensive global network in over 40 countries. Since 2011, the Issuer has been operating as a stand-alone business under the umbrella of ING Group.																																
B.9	Profit forecast or estimate:	Not Applicable; no profit forecasts or estimates have been made by the Issuer.																																
B.10	Qualifications in the auditors' report:	Not Applicable; Ernst & Young Accountants LLP has issued an unqualified auditors' report on the financial statements for each of the financial years ended 31 December 2012, 31 December 2011 and 31 December 2010.																																
B.12	Selected financial information:	<table border="1"> <thead> <tr> <th colspan="4"><b>Key Consolidated Figures ING Bank N.V.<sup>(1)</sup></b></th> </tr> <tr> <th><b>(In EUR million)</b></th> <th></th> <th><b>2012</b></th> <th><b>2011</b></th> </tr> </thead> <tbody> <tr> <td><b>Balance sheet<sup>(2)</sup></b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total assets.....</td> <td></td> <td><b>836,068</b></td> <td><b>961,165</b></td> </tr> <tr> <td>Total equity .....</td> <td></td> <td><b>37,512</b></td> <td><b>35,060</b></td> </tr> <tr> <td>Deposits and funds borrowed(3).....</td> <td></td> <td><b>633,756</b></td> <td><b>682,523</b></td> </tr> <tr> <td>Loans and advances</td> <td></td> <td><b>541,546</b></td> <td><b>577,569</b></td> </tr> <tr> <td><b>Results(4)</b></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	<b>Key Consolidated Figures ING Bank N.V.<sup>(1)</sup></b>				<b>(In EUR million)</b>		<b>2012</b>	<b>2011</b>	<b>Balance sheet<sup>(2)</sup></b>				Total assets.....		<b>836,068</b>	<b>961,165</b>	Total equity .....		<b>37,512</b>	<b>35,060</b>	Deposits and funds borrowed(3).....		<b>633,756</b>	<b>682,523</b>	Loans and advances		<b>541,546</b>	<b>577,569</b>	<b>Results(4)</b>			
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		Total income .....	16,298	17,195
		Operating expenses.....	9,843	10,226
		Additions to loan loss provisions.....	2,125	1,670
		Result before tax.....	4,330	5,299
		Taxation .....	1,124	1,216
		Net result (before minority interests) .....	3,206	4,083
		Attributable to Shareholders of the parent .....	3,115	4,005
		<b>Ratios (in %)</b>		
		BIS ratio(5).....	16.91	14.26
		Tier-1 ratio(6).....	14.35	11.69
		Notes:		
		(1)	These figures have been derived from the audited annual accounts of ING Bank N.V. in respect of the financial years ended 31 December 2012 and 2011, respectively.	
		(2)	At 31 December.	
		(3)	Figures including Banks and Debt securities.	
		(4)	For the year ended 31 December.	
		(5)	BIS ratio = BIS capital as a percentage of Risk Weighted Assets. Note: These Risk Weighted Assets are based on Basel II.	
		(6)	Tier-1 ratio = Available Tier-1 capital as a percentage of Risk Weighted Assets. Note: These Risk Weighted Assets are based on Basel II.	
		<b>Significant or Material Adverse Change:</b>		
		At the date hereof, there has been no significant change in the financial position of the Issuer and its consolidated subsidiaries since 30 June 2013.		
		At the date hereof, there has been no material adverse change in the prospects of the Issuer since 31 December 2012, except for:		
		(i) the dividends totalling EUR 1.8 billion paid by the Issuer to ING Group, as disclosed on page 6 and page 41 of the ING Bank Interim Financial Report.		
B.13	Recent events material to the evaluation of the Issuer's solvency:	Not Applicable. There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the solvency of the Issuer.		
B.14	Dependency upon entities within the group of the Issuer:	The description of the group and the Issuer's position within the group is given under item B.5. Not applicable. The Issuer is not dependent upon other entities within ING Group.		
B.15	Principal activities:	ING Bank is a large international player in the financial services industry with an extensive global network in over 40 countries. Since 1 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.		
B.16	Control/ownership:	The Issuer is a wholly-owned, non-listed subsidiary of ING Groep N.V.		

<b>Section C – Securities</b>		
C.1	Type and Class: ISIN:	The Notes qualify as Single Name Credit Linked Notes. Aggregate Nominal Amount: USD 17,844,000 Series Number: 5549 Form of Notes: Bearer Notes. ISIN Code: XS0909329426
C.2	Currency:	USD and the lawful currency of Mongolia (“MNT”).
C.5	Description of any restrictions on the free transferability of the Notes:	There are no restrictions on the free transferability of the Notes except for certain selling restrictions with respect to the offer, sale and delivery of the Notes, which include amongst others but not limited to, offer, sale and delivery of the Notes within the United States or to, or for the account of benefit of, U.S. persons.
C.8	Description of the rights attaching to the Notes:	<p><b><i>Status of the Notes:</i></b></p> <p>The Notes are Senior Notes and will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank pari passu among themselves and (subject as aforesaid and save for certain debts required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.</p> <p><b><i>No Interest:</i></b></p> <p>The Notes do not bear interest.</p> <p><b><i>Events of Default:</i></b></p> <p>The Conditions contain Events of Default pertaining to the Issuer, including those relating to (a) non-payment, (b) breach of other obligations, (c) bankruptcy or moratorium, (d) emergency measures and (e) winding-up or liquidation. The provisions include certain minimum thresholds and grace periods.</p> <p><b><i>Withholding tax:</i></b></p> <p>All payments made by the Issuer in respect of the Notes shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. Noteholders will not be entitled to receive grossed-up amounts to compensate for any such tax, duty, withholding or other payment. The Issuer may also elect to redeem the Notes if it would be required, on the occasion of the next payment due in respect of the Notes, to withhold or account for tax in respect of the Notes.</p> <p><b><i>Meetings of Noteholders:</i></b></p> <p>The Conditions contain provisions for convening meetings of Noteholders to consider any matters affecting their interests. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not vote on the relevant resolution and Noteholders who voted in a manner contrary to the majority. Actions may also be taken by means of written resolution.</p> <p><b><i>Modification of the Notes:</i></b></p> <p>The Issuer may agree, without the consent of the Noteholders, any modification of the Notes, which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.</p> <p><b><i>Adjustment Events:</i></b></p> <p>The Notes include that following the occurrence of an Adjustment Event (i.e. a Regulatory Change Event or Tax Event), the Final Redemption Amount shall be reduced by any loss suffered, or costs or expenses incurred, by the Issuer in connection with the Notes as a result of the occurrence of such Adjustment Event, as determined by the Calculation Agent, so as to put</p>

		<p>the Issuer in the same position in which it would have been but for the occurrence of such Adjustment Event.</p> <p><b>Governing law:</b> English law.</p> <p><b>Issue Price:</b> 91.141623 per cent. of the Aggregate Nominal Amount.</p>
C.11	Listing and admission to trading:	The Notes will be admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange.
C.16	Expiration date or maturity date – the exercise date or final reference date:	<p><b>Maturity Date:</b> Unless redeemed early, the Notes will be redeemed on the Maturity Date (24 March 2014).</p> <p><b>Reference period:</b> The Calculation Agent will determine whether a Credit Event has occurred on any day during the Observation Period. The Observation Period means the period from the Trade Date (15 May 2013) to the Extension Date, which means the Maturity Date (19 May 2014) subject to extension following from a Grace Period or Repudiation/Moratorium.</p>
C.17	A description of the settlement procedures of the derivative securities:	<p><b>Settlement procedures:</b> The Notes will be redeemed on the Maturity Date unless redeemed early.</p> <p><b>Settlement procedures in case an early redemption event has occurred (other than a Credit Event):</b> The Notes may be redeemed early in the following circumstances:</p> <ul style="list-style-type: none"> <li>(i) an event of default by the Issuer;</li> <li>(ii) if 90 per cent. or more in nominal amount of the Notes issued have already been redeemed or purchased and cancelled (at the discretion of the Issuer); and</li> <li>(iii) a change in the tax treatment of payments due under the Notes.</li> </ul> <p>If the Notes are to be redeemed in the circumstances described in (i), (ii) or (iii) above, the Issuer shall redeem each Note at an amount equal to the fair market value of a Note determined by the Calculation Agent in its sole and absolute discretion, acting reasonably.</p> <p><b>Settlement procedures in case no Credit Event occurs:</b> If no Credit Events occur in respect of any Reference Entity, and the Notes are not otherwise redeemed early for any reason, each Note will be redeemed at its Final Redemption Amount at the Maturity Date, which is an amount per Note equal to the Actual Redemption Calculation Amount (as described in C.18 below) converted from MNT into USD at the Primary FX Rate (as defined below).</p> <p><b>Settlement procedures in case a Credit Event has occurred:</b> In case a Credit Event has occurred the Issuer may apply (i) “Physical Settlement” pursuant to which each Note will be redeemed in full on the Physical Settlement Date by delivery of the Deliverable Obligation Entitlement or (ii) “Cash Settlement” pursuant to which each Note will be redeemed in full on the Cash Settlement Date by delivery of the Cash Settlement Amount.</p> <p>Notice of any redemption following a Credit Event shall be given by means of a Credit Event Notice. In addition, in case of Physical Settlement the Issuer is required to deliver a notice describing the obligations of the Reference Entity that are expected to be delivered as the Deliverable Obligation Entitlement (a “Notice of Physical Settlement”).</p> <p>In order to obtain delivery of the Deliverable Obligation Entitlement in respect of any Note, the relevant Noteholder must deliver to the Issuer or the Agent on or before the relevant Cut-Off Date, a duly completed Asset Transfer Notice, the form of which may be obtained from the specified office of the Issuer or the Agent. The Asset Transfer Notice must be delivered to the</p>

		<p>Issuer via the clearing system.</p> <p>If the relevant Noteholder fails to deliver an Asset Transfer Notice in the manner set out herein or delivers an Asset Transfer Notice on any day that is 180 calendar days after the relevant Cut-Off Date or fails to pay the Delivery Expenses, and, if applicable, the Hedge Unwind Amount, the Issuer shall be discharged from its obligations in respect of such Note (or in respect of the partial redemption of such Note, as applicable) and shall have no further obligations or liabilities whatsoever in respect thereof.</p> <p><b>FX Provisions:</b></p> <p>The Primary FX Rate is the Mongolian Togrog exchange rate, expressed as the number of MNT per USD, as determined by the Calculation Agent in its sole and absolute discretion acting in good faith and a commercially reasonable manner and in accordance with any then current market practice, two Business Days prior to the relevant Scheduled Valuation Date or Date of Receipt.</p>
C.18	A description of how the return on derivative securities takes place:	<p><b>Redemption</b></p> <p>The amount of principal payable by the Issuer is dependent on whether a Credit Event has occurred in respect of the Reference Entity (Mongolia).</p> <p>The Notes cannot be redeemed prior to their stated maturity (other than following an event of default by the Issuer or for taxation reasons).</p> <p><b>Return on the Notes in case no Credit Event occurs:</b></p> <p>If no Credit Events occur in respect of any Reference Entity, and the Notes are not otherwise redeemed early for any reason, each Note will be redeemed at its Final Redemption Amount at the Maturity Date, which is an amount per Note equal to the Actual Redemption Calculation Amount converted from MNT into USD at the Primary FX Rate.</p> <p>The “Actual Redemption Calculation Amount” means, expressed per Calculation Amount, the amount of principal actually received by a notional holder in the Netherlands of a notional amount of the Reference Obligation in an amount equal to the Aggregate Nominal Amount of the Notes outstanding.</p> <p><b>Return on the Notes in case a Credit Event has occurred:</b></p> <p>In case a Credit Event has occurred, the Notes will be redeemed in full (i) on the Physical Settlement Date by delivery of the Deliverable Obligation Entitlement or (ii) on the Cash Settlement Date by payment of the Cash Settlement Amount.</p> <p>The Delivery Obligation Entitlement is each Note’s pro rata share of Reference Obligations which have an outstanding principal balance or a Due and Payable Amount equal to the Aggregate Nominal Amount of the Notes, less the EDD Adjustment Amount (if applicable).</p> <p>The Cash Settlement Amount is an amount (expressed per Calculation Amount) equal to the Note’s pro rata share of the Recovery Amount, converted from MNT into USD on the basis of the Primary FX Rate on the date of receipt by the Issuer of the full proceeds of the sale, the transfer or the disposal, as applicable, of the Valuation Obligation(s).</p>
C.19	The exercise price or the final reference price of the underlying:	Not Applicable; the Notes do not contain an exercise option or reference price.
C.20	A description of the type of the underlying and where the information on the underlying can be	<p>The return on the Notes is linked to the credit risk and the financial obligations of the Reference Entity. Fluctuations in the credit spreads of the Reference Entity will affect the value of and return on the Notes.</p> <p>Details of the past and further performance of the underlying Reference Entity, its financial obligations and their volatility and related data showing past economic development and credit assessment of the underlying Reference Entity can be obtained from financial information</p>

	found:	<p>providers such as Bloomberg (<a href="http://www.bloomberg.com">www.bloomberg.com</a>), financial reports from credit rating agencies such as Fitch, Inc (<a href="http://www.fitchratings.com">www.fitchratings.com</a>), Standard &amp; Poor's Financial Services LLC (a subsidiary of The McGraw-Hill Companies, Inc) (<a href="http://www.standardandpoors.com">www.standardandpoors.com</a>) or Moody's Investors Services (<a href="http://www.moody.com">www.moody.com</a>) and the website of the Reference Entity: <a href="http://www.mof.gov.mn/welcome?lan=en">http://www.mof.gov.mn/welcome?lan=en</a> (or any successor website). Information about the Reference Obligations and their past and further performance can be obtained from the website of the Mongolian Stock Exchange under: <a href="http://www.mse.mn/index.php?module=bond">http://www.mse.mn/index.php?module=bond</a> and <a href="http://mse.mn/content/show/id/53">http://mse.mn/content/show/id/53</a> (or any successor websites).</p> <p>An increase of the credit spread and/or an increase of the likelihood of a Credit Event occurring during the Observation Period may have a significant adverse effect on the value of and the return on the Notes.</p> <p>The return on the Notes is exposed to the development of the Mongolian Togrog/United States Dollar exchange rate. The Mongolian Togrog/United States Dollar exchange rate may go down as well as up throughout the life of the Notes. Fluctuations in the Mongolian Togrog/United States Dollar exchange rate will affect the value of the Notes. Details of the past and further performance of the Mongolian Togrog/United States Dollar exchange rate can be obtained from Bloomberg Screen Page MNT &lt;CURRENCY&gt;.</p> <p>A negative development of the Mongolian Togrog/United States Dollar exchange rate (meaning that an increased number of Mongolian Togrog is required to purchase one (1) United States Dollar) may have a significant adverse effect on the amount payable under the Notes.</p>
<b>Section D – Risks</b>		
D.2	Key information on the key risks that are specific to the issuer:	<ul style="list-style-type: none"> <li>• Because the Issuer is part of a financial services company conducting business on a global basis, the revenues and earnings of the Issuer are affected by the volatility and strength of the economic, business and capital markets environments specific to the geographic regions in which it conducts business. The ongoing turbulence and volatility of such factors have adversely affected, and may continue to adversely affect the profitability and solvency of the Issuer.</li> <li>• Adverse capital and credit market conditions may impact the Issuer's ability to access liquidity and capital, as well as the cost of credit and capital.</li> <li>• The default of a major market participant could disrupt the markets.</li> <li>• Because the Issuer's businesses are subject to losses from unforeseeable and/or catastrophic events, which are inherently unpredictable, the Issuer may experience an abrupt interruption of activities, which could have an adverse effect on its financial condition.</li> <li>• The Issuer operates in highly regulated industries. There could be an adverse change or increase in the financial services laws and/or regulations governing the Issuer's business.</li> <li>• Continued turbulence and volatility in the financial markets and the economy generally have adversely affected the Issuer, and may continue to affect its business and results of operations.</li> <li>• Because the Issuer operates in highly competitive markets, including its home market, it may not be able to increase or maintain its market share, which may have an adverse effect on its results of operations.</li> <li>• Because the Issuer does business with many counterparties, the inability of these counterparties to meet their financial obligations could have a material adverse effect on the Issuer's results of operations.</li> <li>• Market conditions observed over the past few years may increase the risk of loans being impaired. The Issuer is exposed to declining property values on the collateral supporting residential and commercial real estate lending.</li> <li>• Interest rate volatility and other interest rate changes may adversely affect the Issuer's profitability.</li> </ul>

		<ul style="list-style-type: none"> <li>• The Issuer may incur losses due to failures of banks falling under the scope of state compensation schemes.</li> <li>• The Issuer may be unable to manage its risks successfully through derivatives.</li> <li>• The Issuer may be unable to retain key personnel.</li> <li>• The Issuer may not be able to protect its intellectual property and may be subject to infringement claims.</li> <li>• Because the Issuer uses assumptions to model client behaviour for the purpose of its market risk calculations, the difference between the realisation and the assumptions may have an adverse impact on the risk figures and future results.</li> <li>• The Issuer may incur further liabilities in respect of its defined benefit retirement plans if the value of plan assets is not sufficient to cover potential obligations, including as a result of differences between results and underlying actuarial assumptions and models.</li> <li>• The Issuer's risk management policies and guidelines may prove inadequate for the risks its faces.</li> <li>• The Issuer is subject to a variety of regulatory risks as a result of its operations in certain countries.</li> <li>• Because the Issuer is continually developing new financial products, it might be faced with claims that could have an adverse effect on its operations and net results if clients' expectations are not met.</li> <li>• Ratings are important to the Issuers' businesses for a number of reasons. A downgrade or a potential downgrade in the Issuer's credit ratings could have an adverse impact on its operations and net result.</li> <li>• The Issuer's business may be negatively affected by a sustained increase in inflation.</li> <li>• Operational risks are inherent in the Issuer's business.</li> <li>• The Issuer's business may be negatively affected by adverse publicity, regulatory actions or litigation with respect to such businesses, other well-known companies or the financial services industry in general.</li> <li>• The implementation of ING's restructuring plan and the divestments anticipated in connection with the Restructuring Plan have and will significantly alter the size and structure of ING and involve significant costs and uncertainties that could materially impact the Issuer.</li> <li>• The limitations required by the European Commission on ING's ability to compete and to make acquisitions or call certain debt instruments could materially impact the Issuer.</li> <li>• Upon the implementation of its restructuring plan, ING will be less diversified and the Issuer may experience competitive and other disadvantages.</li> <li>• ING's Restructuring Plan may not yield intended reductions in costs, risk and leverage.</li> <li>• ING's agreements with the Dutch State impose certain restrictions regarding the issuance or repurchase of its shares and the compensation of certain senior management positions.</li> <li>• Whenever the overall return on the (remaining) Core Tier 1 Securities issued to the Dutch State is expected to be lower than 10% per annum, and/or in the event that ING does not repay the remaining Core Tier 1 Securities in accordance with the repayment schedule that was submitted to the European Commission as part of the Amended Restructuring Plan, the European Commission may consider the imposition of additional behavioural constraints.</li> </ul>
D.6	Risk warning that investors may lose value of entire investment or part of it and key	Warning: <ul style="list-style-type: none"> <li>• 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</li> </ul>

	<p>information on the key risks that are specific to the Notes:</p>	<p>their financial advisers before making any investment decision.</p> <p>Key information on the key risks that are specific to the Notes:</p> <ul style="list-style-type: none"> <li>• Investors should note that the Notes differ from ordinary debt securities in that the amount of principal payable by the Issuer is dependent on whether a Credit Event has occurred in respect of the Reference Entity.</li> <li>• The likelihood of a Credit Event occurring in respect of the Reference Entity will generally fluctuate with, among other things, the financial condition and other characteristics of the 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.</li> <li>• The Reference Obligation may have no, or only a limited, trading market. The liquidity of Reference Obligation will generally fluctuate with, among other things, the underlying liquidity of the loan and bond markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of the Reference Entity. The financial markets have experienced periods of volatility and reduced liquidity which may re-occur and reduce the market value of the relevant Reference Obligation.</li> <li>• The Reference Obligation may also be subject to restrictions on transfer and may be considered illiquid. If a Credit Event occurs in respect of the Reference Entity, any resulting diminution in market value of the Reference Obligation could be further magnified by reason of such limited liquidity.</li> <li>• The Issuer has not undertaken any legal or other due diligence in respect of the Reference Entity, and does not make any representation or warranty, express or implied, as to the credit quality of the Reference Entity. This Prospectus does not provide any further information with respect to the Reference Entity (other than its identity) or the obligations thereof, its creditworthiness or the likelihood of the occurrence of a Credit Event.</li> <li>• The Reference Entity is an emerging market country and may therefore be subject to significant fluctuations attributable to, among other things, nationalisation, expropriation or taxation, currency devaluation, foreign exchange control, political, social or diplomatic instability or governmental restrictions</li> <li>• 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.</li> <li>• 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.</li> <li>• Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate and/or restrict the convertibility or transferability of currencies within and/or outside of a particular jurisdiction. As a result, investors may receive less principal than expected, or receive it later than expected or not at all.</li> <li>• Even though the Notes will be listed there can be no assurance that a secondary market for the Notes will develop or, if it does, that it will provide holders with liquidity for the life of the Notes. A decrease in the liquidity of the Notes may cause, in turn, an increase in the volatility associated with the price of the Notes. Any investor in the Notes must be prepared to hold the Notes for an indefinite period of time or until redemption of the Notes. If any person begins making a market for the Notes, it is under no obligation to continue to do so and may stop making a market at any time. Illiquidity may have a severely adverse effect on the market value of Notes.</li> </ul>
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<b>Section E – Offer</b>		
E.2b	Reasons for the offer and use of proceeds:	The net proceeds of the offer will be applied by the Issuer for its general corporate purposes.
E.3	A description of the terms and conditions of the offer:	The Notes have been sold by the Issuer by way of a private placement (in)directly to investors.
E.4	Interests of natural and legal persons involved in the offer and issue of the Notes, including conflicting interests:	So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.
E.7	Estimated expenses charged to investors by the Issuer:	Not Applicable; no expenses are charged to investors by the Issuer.



## PART TWO: SECURITIES NOTE

### RISK FACTORS

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

#### **Risk Factor in relation to 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(B) of the Base Prospectus.*

Investors should note that the Notes differ from ordinary debt securities in that the amount of principal payable by the Issuer is dependent on whether a Credit Event has occurred in respect of the Reference Entity. In certain circumstances the value paid to Noteholders on redemption may be less than their original investment and may in certain circumstances 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 the Reference Entity from the Credit Event Backstop Date. The Credit Event Backstop Date may be a date prior to the Issue Date of the Notes. 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 Entity. 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 Entity. The Issuer may have acquired, or during the term of the Notes may acquire, confidential information with respect to the Reference Entity and is not 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.

The Noteholders will have a contractual relationship only with the Issuer and not with any obligor in respect of any Reference Obligation or any Reference Entity. Consequently, the Notes will not constitute a purchase or other acquisition or assignment of any interest in any Reference Obligation or the Reference Entity. Holders of the Notes will have rights solely against the Issuer and will have no recourse against the obligor in respect of any Reference Obligation or the 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 Reference Obligation or the Reference Entity.

The Notes are linked to the creditworthiness of the Reference Entity. The likelihood of a Credit Event occurring in respect of the Reference Entity will generally fluctuate with, among other things, the financial condition and other characteristics of the 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 Reference Obligation may have no, or only a limited, trading market. The liquidity of Reference Obligation will generally fluctuate with, among other things, the underlying liquidity of the loan and bond markets, general economic conditions, domestic and international political events, developments or trends in a particular industry

and the financial condition of the Reference Entity. The financial markets have experienced periods of volatility and reduced liquidity which may re-occur and reduce the market value of the Reference Obligation.

The Reference Obligation may also be subject to restrictions on transfer and may be considered illiquid. If a Credit Event occurs in respect of the Reference Entity, any resulting diminution in market value of the Reference Obligation could be further magnified by reason of such limited liquidity.

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 Prospectus and the Credit Derivatives Definitions. Consequently, investing in the Notes is not exactly equivalent to investing in a credit default swap that incorporates the Credit Derivatives Definitions.

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 that have already been issued 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, it 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 and/or deliveries on redemption). 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 payments and/or 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 that 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.

### **Exposure to the Reference Entity**

The creditworthiness of the Reference Entity 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 Entity's financial condition and performance and, in turn, the market value and/or the redemption price of the Notes. The Issuer has not undertaken any legal or other due diligence in respect of the Reference Entity, and does not make any representation or warranty, express or implied, as to the credit quality of the Reference Entity. This Prospectus does not provide any further information with respect to the Reference Entity (other than its identity) or the obligations thereof, its creditworthiness or the likelihood of the occurrence of a Credit Event.

Prospective investors should note that whilst the market value of the Notes is linked to the creditworthiness of the Reference Entity 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 the Reference Entity is increasing, the value of the Notes may fall.

The Reference Entity may be replaced due to events beyond the control of the Issuer, in which case the 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. In case a Credit Event has occurred in respect of the Reference Entity, the Reference Entity will not be replaced by a Successor.

### **Connection of the Reference Entity to emerging markets**

The Reference Entity is an emerging market country and may therefore be subject to significant fluctuations attributable to, among other things, nationalisation, expropriation or taxation, currency devaluation, foreign exchange control, political, social or diplomatic instability or governmental restrictions. The capital markets in such emerging market country may have substantially less volume, and are generally less liquid and more volatile, than those in more developed markets. Disclosure and regulatory requirements in such emerging market could be less stringent than in other markets with a low level of monitoring and limited and uneven enforcement of existing regulations. The occurrence of any of the foregoing may have a significant adverse effect on the value of and return on the Notes. 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.

### **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**

The Issuer and its affiliates may have other existing or future business relationships with the Reference Entity 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, the Issuer and its affiliates may buy, sell or

hold positions in obligations of, or act as investment or commercial bankers, advisers or fiduciaries to the Reference Entity.

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

Though application will be made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, 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.

### **Adjustment events**

The Notes include that following the occurrence of an Adjustment Event (i.e. a Regulatory Change Event or Tax Event), the Final Redemption Amount shall be reduced by any loss suffered, or costs or expenses incurred, by the Issuer in connection with the Notes as a result of the occurrence of such Adjustment Event, as determined by the Calculation Agent, so as to put the Issuer in the same position in which it would have been but for the occurrence of such Adjustment Event.

### **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.

### **Exchange rates and exchange controls**

The Notes are subject to the FX Provisions (as defined in paragraph 39 of Part A of the “Terms and Conditions of the Notes” section of the Securities Note). If the Issuer determines, in its sole discretion, that any payment due on the Notes cannot, or cannot reasonably, be made following an FX Convertibility Event and/or FX Transferability Event, then such payment may be postponed until the next Payment Day on which such payment can, in the sole discretion of the Issuer, reasonably be made. If the Issuer determines, in its sole discretion, that any payment due on the Notes cannot, or cannot reasonably, be made following an FX Convertibility Event and/or FX Transferability Event for a period of five years from the date on which payment was originally due to be made but for the FX Convertibility Event and/or the FX Transferability Event, as the case may be, then the Issuer shall be entitled to all amounts in any account opened by it pursuant to Condition 20(c) of the General Conditions,

including accrued interest, if any, and no additional amounts shall be payable to the relevant Noteholder. The occurrence of a FX Convertibility Event and/or FX Transferability Event may have a significant adverse effect on the value of and the return on the Notes.

## DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the following parts of the Base Prospectus:
  - (i) the List of Parties;
  - (ii) the section headed “Summary of the Programme” in Chapter 1 of the Base Prospectus;
  - (iii) Parts 1 and 2 of the section headed “Risk Factors” in Chapter 1 of the Base Prospectus
  - (iv) the section headed “Form of Notes” in Chapter 1 of the Base Prospectus;
  - (v) the section headed “Use of Proceeds” in Chapter 1 of the Base Prospectus;
  - (vi) the section headed “Taxation” in Chapter 1 of the Base Prospectus;
  - (vii) the section headed “Subscription and Sale” in Chapter 1 of the Base Prospectus;
  - (viii) the section headed “General Information” in Chapter 1 of the Base Prospectus;
  - (ix) Part 1 headed “General Terms and Conditions of the Notes” of Chapter 2 of the Base Prospectus;
  - (x) Part 1(A) headed “Description of the Credit Linked Notes” of Chapter 5, Part 1(A) of the Base Prospectus; and
  - (xi) Part 1(B) headed “Terms and Conditions of Credit Linked Notes” of Chapter 5, Part 1 (B) of the Base Prospectus;
- (b) the Articles of Association (*statuten*) of the Issuer;
- (c) the publicly available annual reports of the Issuer in respect of the years ended 31 December 2010, 2011 and 2012, including the audited financial statements and auditors' reports in respect of such years;
- (d) the press release published by ING on 19 November 2012 entitled “ING reaches agreement on amended EC Restructuring Plan”;
- (e) pages 11 and 13 to 28 (inclusive) of the unaudited ING Group 2013 quarterly report for the first quarter of 2013, as published by ING Group on 8 May 2013 (the “**Q1 Report**”). The Q1 Report contains, among other things, the consolidated unaudited interim results of ING Group as at, and for the three month period ended, 31 March 2013, as well as information about recent developments during this period in the banking business of ING Group, which is conducted substantially through the Issuer and its consolidated group, in each case where and to the extent such document refers to the Issuer and to Notes (as defined in the Base Prospectus). Terms used but not defined herein shall have the meanings given to them in the Base Prospectus. References in the Base Prospectus to “Final Terms” shall be deemed to be references to the Terms and Conditions of the Notes as set out in this Securities Note and Summary;
- (f) pages 18 to 28 (inclusive) of the unaudited ING Group 2013 quarterly report for the second quarter of 2013, as published by ING Group on 7 August 2013 (the “**Q2 Report**” and, together with the Q1 Report, the “**Quarterly Reports**”). The Q2 Report contains, among other things, the consolidated

unaudited interim results of ING Group as at, and for the three month period and the six month period ended, 30 June 2013, as well as information about recent developments during this period in the banking business of ING Group, which is conducted substantially through the Issuer and its consolidated group; and

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

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

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

## TERMS AND CONDITIONS OF THE NOTES

### Part A – Contractual Terms

Terms used herein shall be deemed to be defined as such for the purposes of the general terms and conditions of the Notes set forth in Chapter 2, Part 1 (the “**General Conditions**”) and the terms and conditions of credit linked notes set forth in Chapter 5, Part 1(B) (the “**Credit Linked Conditions**”) of the Base Prospectus.

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

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

### GENERAL DESCRIPTION OF THE NOTES

1	Issuer:	ING Bank N.V.
2	Series Number:	5549
3	Specified Currency or Currencies:	(i) USD and (ii) the lawful currency of Mongolia (“MNT”).
4	Aggregate Nominal Amount:	USD 17,844,000
5	Issue Price:	91.141623 per cent. of the Aggregate Nominal Amount.
6	Offer price, offer period and application process:	Not Applicable
7	Details of minimum and maximum amount of application:	Not Applicable
8	(i) Specified Denominations:	USD 150,000 and integral multiples of USD 1,000 in excess thereof up to and including USD 299,000. No Notes in definitive form will be issued with a denomination above USD 299,000.
	(ii) Calculation Amount:	USD 1,000
9	Issue Date:	25 March 2013
10	Maturity Date:	24 March 2014
11	Interest Basis:	Not Applicable
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 / Variable-linked Interest Note Provisions:</b>	Not Applicable
19	<b>Zero Coupon Note Provisions:</b>	Not Applicable
20	<b>Dual Currency Interest Note Provisions:</b>	Not Applicable

## PROVISIONS RELATING TO REDEMPTION

21	Issuer Call:	Not Applicable
22	Noteholder Put:	Not Applicable
23	Final Redemption Amount of each Note:	<p>An amount per Calculation Amount equal to the Actual Redemption Calculation Amount converted from MNT into USD at the Primary FX Rate.</p> <p>Where:</p> <p>“<b>Actual Redemption Calculation Amount</b>” means, expressed per Calculation Amount, the amount of principal actually received by a notional holder in the Netherlands of a notional amount of the Reference Obligation in an amount equal to the Aggregate Nominal Amount of the Notes outstanding.</p>
24	Other:	
	(i) Early Redemption Amount of each Note payable on redemption for taxation reasons or on Issuer event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(f) of the General Conditions):	<p>The Early Redemption Amount per Note in the event of an early redemption of the Notes pursuant to Condition 6(b), Condition 6(m) or Condition 9 of the General Conditions shall be an amount (expressed per Calculation Amount), equal to the Fair Market Value as set out in Condition 6(f)(iv) of the General Conditions minus the Hedge Unwind Amount, converted from MNT into USD on the basis of the Primary FX Rate on the date on which the Early Redemption Amount is determined, payable not later than the third Business Day following the date on which the Early Redemption Amount is determined.</p>
	(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: Bearer Notes  
New Global Note: No  
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: New York, London and Ulan Bataar.
- 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:  
(i) Instalment Amount(s): Not Applicable  
(ii) Instalment Date(s): Not Applicable
- 30 Redenomination: Not Applicable
- 31 Other final terms: **HEDGING DISRUPTION EVENT**

Upon the occurrence of Hedging Disruption Event, the Issuer may make any adjustment or adjustments to the settlement of or payments under the Notes or to any term or condition of the Notes as the Calculation Agent determines appropriate (including, without limitation, to the Final Redemption Amount, Early Redemption Amount and/or any payment dates) to account for the occurrence of such Hedging Disruption Event. Notice of any determination made pursuant to this paragraph and of any adjustment to the terms and conditions of the Notes shall be given by the Issuer to Noteholders in accordance with Condition 13 of the General Conditions.

Where:

“**Hedging Disruption Event**” means any event (as determined by the Calculation Agent in its sole and absolute discretion) that results in the Issuer and/or any of its affiliates being unable, after using commercially reasonable efforts, to (A) hold, acquire, re-establish, substitute, maintain, unwind or dispose of any Hedging Arrangement, or (B) realise, recover or remit the proceeds of any Hedging Arrangement.

## 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. The Notes are being issued (in)directly by the Issuer to investors and may from time to time be sold via one or more Dealer(s). |
| 34 | Total commission and concession:   | Not Applicable  |
| 35 | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:   | TEFRA rules are not applicable  |
| 36 | Additional selling restrictions:   | <b>MONGOLIA</b>   |

**Each Dealer has represented, warranted and agreed, or will be required to represent, warrant and agree, that it will not, directly or indirectly, offer or sell the Notes in Mongolia except as permitted by the laws of Mongolia, including but not limited to the Securities Law of Mongolia of 13 October 1994, as amended.**

- |    |   |                |
|----|---|----------------|
| 37 | (i) Simultaneous offer:   | Not Applicable |
|    | (ii) Non-exempt offer:  | Not Applicable |
| 38 | Process for notification to applicants of amount allotted and indication whether dealing may begin before notification is made: | Not Applicable |

## 1. **FX, BENCHMARK, FX CONVERTIBILITY EVENT, FX TRANSFERABILITY EVENT AND TAX EVENT PROVISIONS**

- |     |                           |   |
|-----|---------------------------|---|
| (i) | <b>FX Provisions:</b>     | Applicable  |
| —   | Scheduled Valuation Date: | (i) the Date of Receipt, (ii) the date upon which the Recovery Amount is determined, and (iii) any other date determined by the Calculation Agent in its sole and absolute discretion on which any amount under |

	the Notes is to be paid.
— Primary FX Rate:	The Mongolian Togrog exchange rate, expressed as the number of MNT per USD, as determined by the Calculation Agent in its sole and absolute discretion acting in good faith and a commercially reasonable manner and in accordance with any then current market practice, two Business Days prior to the relevant Scheduled Valuation Date or Date of Receipt. In determining the Primary FX Rate applicable to the Final Redemption Amount, the Calculation Agent shall use commercially reasonable efforts to obtain firm quotations from at least two dealers of reputable standing in the USD/MNT foreign exchange market and execute at the best rate so offered. No guarantee is given that the Calculation Agent is able to obtain two such firm quotations at any time.
	“ <b>Date of Receipt</b> ” means the day on which any amount in respect of principal in relation to the Reference Obligation is received by a notional holder in the Netherlands of a notional amount of the Reference Obligation in an amount equal to the Aggregate Nominal Amount of the Notes outstanding.
— Fallback FX Rate:	Not Applicable
— Maximum Period of Postponement:	2 Business Days
— Unscheduled Holiday Jurisdiction:	Mongolia
— Relevant FX Amount payment date:	In accordance with Condition 20 of the General Conditions.
— Relevant Currency:	MNT
(ii) <b>Benchmark Provisions:</b>	Not Applicable
(iii) <b>FX Convertibility Event Provisions:</b>	Applicable
— Relevant Currency:	MNT
— Relevant Jurisdiction:	Mongolia
— Other:	Not Applicable
(iv) <b>FX Transferability Event Provisions:</b>	Applicable
— Relevant Currency:	MNT
— Relevant Jurisdiction:	Mongolia
— Other:	Not Applicable
(v) <b>Tax Event Provisions:</b>	Applicable
— Relevant Currency:	MNT
— Relevant Jurisdiction:	Mongolia
— Any changes to Condition 20(d):	Not Applicable

**FIXED RECOVERY NOTES, PRINCIPAL PROTECTED NOTES, CREDIT PAYMENT ON**

#### **MATURITY AND ACCRUAL OF INTEREST ON CREDIT EVENT**

- |     |  |                |
|-----|--|----------------|
| 41. | Fixed Recovery Notes:                                  | Not Applicable |
|     | (i) Fixed Recovery Percentage                          | Not Applicable |
| 42. | Principal Protection                                   | Not Applicable |
|     | (i) Principal Protected Amount:                        | Not Applicable |
| 43. | Credit Payment on Maturity:                            | Not Applicable |
| 44. | Cessation of Accrual of Interest on Credit Event:      |                |
|     | (ii) Alternative Interest Cessation Date:              | Not Applicable |
|     | (iii) Accrual of Interest to Event Determination Date: | Not Applicable |
| 45. | Accrual of Interest on Credit Event:                   | Not Applicable |
|     | (i) Fixed Calculation Amount:                          | Not Applicable |
|     | (ii) Cash Settlement Amount:                           | Not Applicable |
|     | Auction Cash Settlement Amount:                        | Not Applicable |
|     | Index Cash Settlement Amount:                          | Not Applicable |
|     | (iii) Rate of Interest                                 | Not Applicable |

#### **ADJUSTMENT EVENTS AND TERMINATION EVENTS**

- |     |   |                                      |
|-----|---|--------------------------------------|
| 46. | Adjustment Events:  | Applicable                           |
|     | (i) Adjustment Event:   | Regulatory Change Event<br>Tax Event |
| 47. | Termination Events:   | Not Applicable                       |
| 48. | Termination Event/Adjustment Event Observation Period Start Date: | The Trade Date                       |

#### **CREDIT LINKED PROVISIONS**

- |     |                                      |   |
|-----|--------------------------------------|---|
| 49. | Type of Notes:                       | Single Name Credit Linked Notes   |
| 50. | Settlement Basis:                    | Cash or Physical Settlement   |
| 51. | Fallback Settlement Basis:           | None  |
| 52. | Credit Event Observation Start Date: | The Trade Date  |
| 53. | Scheduled Observation End Date:      | The Final Payment Date  |
| 54. | Final Payment Date:                  | The day that is two Business Days after the Maturity Date.  |
| 55. | Reference Entity:                    | Mongolia  |
| 56. | Reference Obligation:                | Obligation issuer: Bank of Mongolia<br>Form: Government bill<br>Issue date: 25 March 2013<br>Maturity: 24 March 2014<br>Obligation nominal amount: MNT 25,000,000,000 |

57.	Credit Events:	<p>Repudiation/Moratorium</p> <p>Failure to Pay</p> <p style="padding-left: 20px;">Grace Period Extension: Applicable</p> <p style="padding-left: 20px;">Payment Requirement: USD 500,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay, provided that the Payment Requirement shall be deemed to be USD 1,000 or its equivalent in the relevant Obligation Currency with respect to any Failure to Pay on the Reference Obligation.</p> <p>Restructuring</p> <p style="padding-left: 20px;">Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable</p> <p style="padding-left: 20px;">Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p style="padding-left: 20px;">Default Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event, provided that the Default Requirement shall be deemed to be USD 1,000 or its equivalent in the relevant Obligation Currency in respect of any Credit Event in respect of the Reference Obligation.</p> <p style="padding-left: 20px;">Multiple Holder Obligation: Not Applicable</p> <p>Obligation Acceleration</p> <p>Sovereign Risk Event</p> <p>FX Convertibility Event (As per Condition 20 of the Credit Linked Conditions).</p> <p>FX Transferability Event (As per Condition 20 of the Credit Linked Conditions).</p>
58.	Trade Date:	20 March 2013
59.	Conditions to Settlement:	Credit Event Notice
60.	Relevant Currency:	Not Applicable
61.	Relevant Jurisdiction:	Mongolia
62.	Cash Settlement Date	Not later than the third Business Day following the date on which the Cash Settlement Amount is determined.
63.	Cash Settlement Amount:	An amount (expressed per Calculation Amount) equal to the Note's pro rata share of the Recovery Amount, converted from MNT into USD on the basis of the Primary FX Rate on the date of receipt by the Issuer of the full proceeds of the sale, the transfer or the disposal, as applicable, of the Valuation Obligation(s).

64.	Valuation Method:	Not Applicable
65.	Dealers:	Not Applicable
66.	Final Price:	Not Applicable
67.	Quotations:	Not Applicable
68.	Quotation Amount:	Not Applicable
69.	Valuation Date:	Not Applicable
70.	Auction Cash Settlement Amount:	Not Applicable
71.	Auction Cash Settlement Date:	Not Applicable
72.	Hedge Unwind Adjustment:	Applicable
73.	Physical Settlement Date:	30 Business Days
74.	Obligation Category:	Bond
75.	Obligation Characteristics:	None
76.	All Guarantees:	Not Applicable
77.	Deliverable Obligation Category:	Reference Obligation Only
78.	Deliverable Obligation Characteristics:	None
79.	Business Day(s):	For the purpose of the Notes, “ <b>Business Day</b> ” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, New York and Ulan Bataar.
80.	Fixed Number of Reference Entities:	Applicable
81.	Credit Event Backstop Date:	Applicable
	(i) Commencing on Trade Date:	Applicable
82.	Succession Event Backstop Date:	Applicable
	(i) Commencing on Trade Date:	Applicable
83.	Event Determination Date:	Event Determination Date Version A

## **PART B – OTHER INFORMATION**

### **1 LISTING**

- (i) Listing: Luxembourg Stock Exchange
- (ii) Admission to trading: Application will be made for the Notes to be admitted to trading on the Luxembourg Stock Exchange with effect from 14 August 2013 or as soon as possible thereafter.

### **2 RATINGS**

- Ratings: The Notes will not be rated.

### **3 NOTIFICATION**

For the purposes of the listing of the Notes on the Official List of the Luxembourg Stock Exchange and the admission to trading of the Notes on the regulated market of the Luxembourg Stock Exchange, the Netherlands Authority for Financial Markets has provided the competent authority in Luxembourg, being the Commission de Surveillance du Secteur Financier (“CSSF”) with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

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

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

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

- (i) Reasons for the offer: See “Use of Proceeds” wording in Chapter 1 of the Base Prospectus.
- (ii) Estimated total expenses: See 1(iv) above.

### **6 DETAILS OF THE UNDERLYING REFERENCE VALUE**

The return on the Notes is linked to the credit risk and the financial obligations of the Reference Entity. Fluctuations in the credit spreads of the Reference Entity will affect the value of and return on the Notes.

Details of the past and further performance of the underlying Reference Entity, its financial obligations and their volatility and related data showing past economic development and credit assessment of the underlying Reference Entity can be obtained from financial information providers such as Bloomberg ([www.bloomberg.com](http://www.bloomberg.com)), financial reports 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.moody.com](http://www.moody.com)) and the website of the Reference Entity: <http://www.mof.gov.mn/welcome?lan=en> (or any successor website). Information about the Reference Obligations and their past and further performance can be obtained from the



website of the Mongolian Stock Exchange under: <http://www.mse.mn/index.php?module=bond> and <http://mse.mn/content/show/id/53> (or any successor websites).

An increase of the credit spread and/or an increase of the likelihood of a Credit Event occurring during the Observation Period may have a significant adverse effect on the value of and the return on the Notes.

The return on the Notes is exposed to the development of the Mongolian Togrog/United States Dollar exchange rate. The Mongolian Togrog/United States Dollar exchange rate may go down as well as up throughout the life of the Notes. Fluctuations in the Mongolian Togrog/United States Dollar exchange rate will affect the value of the Notes. Details of the past and further performance of the Mongolian Togrog/United States Dollar exchange rate can be obtained from Bloomberg Screen Page MNT <CURRENCY>.

A negative development of the Mongolian Togrog/United States Dollar exchange rate (meaning that an increased number of Mongolian Togrog is required to purchase one (1) United States Dollar) may have a significant adverse effect on the amount payable under the Notes.

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

##### ***Settlement procedures in case no Credit Event occurs:***

If no Credit Events occur in respect of any Reference Entity, and the Notes are not otherwise redeemed early for any reason, each Note will be redeemed at its Final Redemption Amount at the Maturity Date, which is an amount per Note equal to the Actual Redemption Calculation Amount converted from MNT into USD at the Primary FX Rate (as defined below).

##### ***Settlement procedures in case a Credit Event has occurred:***

In case a Credit Event has occurred the Issuer may apply (i) “Physical Settlement” pursuant to which each Note will be redeemed in full on the Physical Settlement Date by delivery of the Deliverable Obligation Entitlement or (ii) “Cash Settlement” pursuant to which each Note will be redeemed in full on the Cash Settlement Date by delivery of the Cash Settlement Amount.

Notice of any redemption following a Credit Event shall be given by means of a Credit Event Notice. In addition, in case of Physical Settlement the Issuer is required to deliver a notice describing the obligations of the Reference Entity that are expected to be delivered as the Deliverable Obligation Entitlement (a “Notice of Physical Settlement”).

In order to obtain delivery of the Deliverable Obligation Entitlement in respect of any Note, the relevant Noteholder must deliver to the Issuer or the Agent on or before the relevant Cut-Off Date, a duly completed Asset Transfer Notice, the form of which may be obtained from the specified office of the Issuer or the Agent. The Asset Transfer Notice must be delivered to the Issuer via the clearing system.

If the relevant Noteholder fails to deliver an Asset Transfer Notice in the manner set out herein or delivers an Asset Transfer Notice on any day that is 180 calendar days after the relevant Cut-Off Date or fails to pay the Delivery Expenses, and, if applicable, the Hedge Unwind Amount, the Issuer shall be discharged from its obligations in respect of such Note (or in respect of the partial redemption of such Note, as applicable) and shall have no further obligations or liabilities whatsoever in respect thereof.

##### ***FX Provisions:***

The Primary FX Rate is the Mongolian Togrog exchange rate, expressed as the number of MNT per USD, as determined by the Calculation Agent in its sole and absolute discretion acting in good faith and a commercially reasonable manner and in accordance with any then current market practice, two Business Days prior to the relevant Scheduled Valuation Date or Date of Receipt.

## 7 POST-ISSUANCE INFORMATION

The Issuer does not intend to provide post issuance information in relation to the Notes.

## 8 OPERATIONAL INFORMATION

- |   |  |
|---|--|
| (i) Intended to be held in a manner which would allow Eurosystem eligibility:               | No   |
| (ii) ISIN CODE:   | XS0909329426   |
| (iii) Common Code:  | 090932942  |
| (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 or Guarantor):       | 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   |

## 9 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 27 May 2013 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 (the “**Laws**”) 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 Laws) 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 or certain residual entities resident or established 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, in case of an individual beneficiary, for the tax certificate procedure. Residual entities within the meaning of Article 4.2 of the Savings Directive are entities 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 which are not and have not opted to be treated as UCITS recognised 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 (the “**Law**”), 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 as 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 Law, 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 resident companies Noteholders which are companies benefiting from a special tax regime such as (i) family wealth management companies subject to the law of 11 May 2007, as amended, or (ii) undertakings for collective investment subject to the law of 17 December 2010 (replacing the law of 20 December 2002) as amended, or (iii) specialised investment funds subject to the law of 13 February 2007, as amended, 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, redemption of the Notes.