

## I. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

### A. DIRECTORS AND SENIOR MANAGEMENT<sup>1</sup>

The names, nationality, addresses and functions of the Issuer's directors and senior management, are as specified in the tables below:

#### Supervisory Board:

No	Name	Nationality
1	Peter A.F.W. Elverding (chairman)	Dutch
2	Jeroen van der Veer (vice-chairman)	Dutch
3	J.P. (Tineke) Bahlmann	Dutch
4	Henk W. Breukink	Dutch
5	Claus Dieter Hoffmann	German
6	Piet C. Klaver	Dutch
7	Aman Mehta	Indian
8	Joan E. Spero	American
9	Lodewijk J. de Waal	Dutch

The task of the Supervisory Board is to supervise the policy of the Management Board Banking and the general course of events in the company and to assist the Management Board Banking by providing advice.

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<sup>1</sup> "senior management" shall refer to the term of "executive" in the Notification of the Securities and Exchange Commission No. KorChor. 5/2552 Re: Definitions used in the SEC's Notifications Relating to Issuance and Offering of any Type of Debt Securities dated March 13, 2009.

**Management Board Banking:**

No	Name	Nationality
1	Jan H.M. Hommen (chairman)	Dutch
2	Patrick G. Flynn (CFO)	Irish
3	J.V. (Koos) Timmermans (CRO)	Dutch
4	Eric F.C.B. Boyer de la Giroday	Belgium
5	William L. Connelly	French
6	Hans van der Noordaa	Dutch
7	C.P.A.J. (Eli) Leenaars	Dutch

The Management Board Banking is responsible for the daily management of the company.

The business address of all members of the Supervisory Board and the Management Board Banking is: ING Bank N.V., Amstelveenseweg 500 (ING House), P.O. Box 810, 1000 AV Amsterdam, The Netherlands.

In order to avoid potential conflicts of interest, ING Bank N.V. has a policy that members of its Management Board Banking do not accept corporate directorships with listed companies outside ING.

Details of relationships that members of the Management Board Banking may have with ING Group subsidiaries as ordinary, private individuals are not reported.

**The Person Responsible for the Information Contained herein:**

The person within the Issuer who has certified the information contained in this Prospectus and is responsible for such information is Mr. Stephen Briones, the general manager of ING Bank N.V., Thailand Representative Office, who is acting as an authorized signatory of the Issuer in respect of the Bond transaction.

## **B. ADVISOR AND OTHER PARTIES**

- a. The Issuer's principal bank

The Issuer has no specific principal banker. Generally, the Issuer does not solely rely on bank borrowing for its funding, but also, seeks funding from other sources such as capital and money markets.

- b. Legal advisor to the Bond transaction

**Clifford Chance (Thailand) Limited**  
21<sup>st</sup> Floor, Sindhorn Building Tower 3  
130-132 Wireless Road  
Lumpini, Pathumwan  
Bangkok 10330 Thailand

- c. The Issuer's contact person in Thailand

**ING Bank N.V., Thailand Representative Office**  
8<sup>th</sup> Floor, Sindhorn Building Tower 1  
130-132 Wireless Road,  
Lumpini, Pathumwan,  
Bangkok 10330 Thailand

- d. Lead Arrangers to the Bond offering

**TMB Bank Public Company Limited**  
3000 Phahonyothin Road  
Chomphon, Chatuchak  
Bangkok 10900 Thailand

**Standard Chartered Bank (Thai) Public Company Limited**  
90 North Sathorn Road  
Silom, Bangrak  
Bangkok, 10500 Thailand

**Krung Thai Bank Public Company Limited**  
35 Sukhumvit Road  
Klongtoey Nua, Wattana  
Bangkok 10110 Thailand

### **C. AUDITOR**

The financial statements of the Issuer for the financial years ended 31 December 2009 and 31 December 2008, respectively, have been audited by Ernst & Young Accountants LLP. The auditors of Ernst & Young Accountants LLP are members of the Koninklijk Nederlands Instituut van Registeraccountants (NIVRA), which is a member of International Federation of Accountants (IFAC). Ernst & Young Accountants LLP has issued an unqualified auditors' report on the financial statements for the financial year ended 31 December 2009 dated 15 March 2010 and an unqualified auditors' report on the financial statements for the financial year ended 31 December 2008 dated 16 March 2009.

The auditors' reports in respect of the financial years ended 31 December 2009 and 31 December 2008, respectively, incorporated by reference herein are included in the form and context in which they appear with the consent of Ernst & Young Accountants LLP, who have authorised the contents of these auditors' reports.

### **D. SUBMISSION OF FINANCIAL STATEMENTS AND ANNUAL REGISTRATION STATEMENT TO THE THAI SEC**

In accordance with the Notification of the Capital Market Supervisory Board No. Tor Jor. 14/2552 Re: The Offer for Sale of Foreign Bonds or Foreign Debentures in Thailand dated 13 March 2009, as amended, the Issuer hereby expresses its intention to prepare and submit its financial statements and annual registration statement to the Office of the Securities and Exchange Commission of Thailand ("**SEC**") in English language.

### **E. SUBMISSION OF FINANCIAL STATEMENTS TO THE RELEVANT AUTHORITY REGULATING THE ISSUER**

#### **a. The Netherlands Authority for the Financial Markets**

The Issuer is required to submit the following financial statements to The Netherlands Authority for the Financial Markets:

1. reviewed but unaudited half-year financial statements within 2 months from the end of the first six-month period in each fiscal year of the Issuer; and
2. audited annual financial statements within 5 days from its adoption date. If the annual audited financial statement has not been adopted within 4 months after the end of the Issuer's fiscal year, the non-adopted audited annual financial statement must be submitted before the end of such 4-month period. In such case, once the audited annual financial statement is adopted, the adopted audited annual financial statement must also be submitted within 5 days of its adoption date.

#### **b. The Dutch Central Bank**

The Issuer is required to submit its audited annual financial statement to the Dutch Central Bank within 6 months from the end of each fiscal year of the Issuer.

## **F. ACCESS TO MORE INFORMATION ON THE ISSUER**

### Additional Information on the Issuer

Other than the information contained in this Prospectus, investors may obtain additional information of the Issuer and ING Group through the website <http://www.ing.com/group/index.jsp>.

## **G. RECENT FINANCIAL INFORMATION AND ANALYSIS**

For the Issuer's quarterly financial reporting and analysis, including comments on the progress of our businesses and key strategic initiatives, please see the "Banking" section of each following quarterly report of ING Group:

- (i) the first quarterly report of 2010 published on May 12, 2010 attached as Part I of Appendix E;
- (ii) the second quarterly report of 2010 published on August 11, 2010 attached as Part II of Appendix E;
- (iii) the third quarterly report of 2010 published on November 10, 2010 attached as Part III of Appendix E; and
- (iv) the fourth quarterly report of 2010 published on February 16, 2011 attached as Part VI of Appendix E.

It is noted that almost all of the banking business of ING Group (the information of which is included in Parts I – VI of Appendix E referred to above) is conducted through the Issuer. Therefore, the information on the banking business of ING Group included in the quarterly reports of ING Group (attached as Appendix E) reflects the main business and performance of the Issuer.

The financial reporting and analysis (including comments on the progress of our businesses and key strategic initiatives) in respect of the Issuer for the full year 2010 are not provided in this Prospectus because this information has not yet been made publicly available.

## II. DESCRIPTION OF THE BONDS

Words and expressions defined in the Terms and Conditions of the Bonds attached as Appendix A hereto (the "**Terms and Conditions**") shall have the same meanings in this Prospectus except where the context required otherwise or unless otherwise stated or defined.

### A. ECONOMIC TERMS OF THE BONDS

#### 1. Terms of the Bonds

Issue Date	:	30 March 2011
Interest Rate	:	The Series 1 Bonds: 3.72% per annum The Series 2 Bonds: 4.09% per annum
Default Interest Rate	:	Relevant Interest Rate plus 2% per annum
Maturity Date	:	The Series 1 Bonds: 30 March 2014 The Series 2 Bonds: 30 March 2016
Tenor	:	The Series 1 Bonds: 3 years from the Issue Date The Series 2 Bonds: 5 years from the Issue Date
Redemption	:	<i>Redemption on Maturity Date</i>

Unless previously redeemed, purchased or cancelled, each series of the Bonds will be redeemed at their outstanding principal amount on the relevant Maturity Date, together with interest accrued thereon up to (but excluding) the relevant Maturity Date.

#### *Methods of principal repayment*

Principal due on the Maturity Date will be payable by the Issuer through the Registrar to the Bondholders whose names appear in the Register Book on the relevant Record Date or, with respect to persons whose Bonds are deposited with TSD, the persons whose names appear on the list of owners of the Bonds maintained by TSD. Payments of principal on each Bond will be made to the Bondholder by means of: (i) a Baht crossed cheque marked "A/C Payee Only" drawn on a bank in Bangkok in the name of the Bondholder mailed to the address of the relevant Bondholder appearing on the Register Book; or (ii) transfer to the bank account of the Bondholders in Thailand as informed in the subscription form or in writing by the Bondholders to the Registrar at least 15

(fifteen) Business Days prior to the Maturity Date; or (iii) such other method as may be agreed from time to time by the Issuer, the Bondholders' Representative and the Registrar; *provided that* such principal repayment on the Maturity Date may only be made upon surrender of the Bond Certificates (except for the Bonds deposited with TSD) at the principal office of the Registrar.

Early Redemption : Subject to the third paragraph below, if the Issuer, on the occasion of the next payment due in respect of the Bonds, would be required by Netherlands law to withhold or account for tax in respect of the Bonds, then the Issuer shall forthwith give notice of such circumstances to Bondholders. In such event, the Issuer may, but shall not be obliged to, on giving not more than 30 nor less than 15 day's notice to the Bondholders, and upon expiry of such notice, redeem all but not some of the Bonds at their outstanding principal amount together with interest accrued thereon to (but excluding) the redemption date.

Notwithstanding the foregoing paragraph, if any of the taxes referred to above arises (i) by reason of any Bondholder's connection with The Netherlands otherwise than by reason only of the holding of any Bond or receiving or being entitled to principal or interest in respect thereof; or (ii) by reason of the failure by the relevant Bondholder to comply with any applicable procedures required to established non-residence or other similar claim for exemption from such tax, then to the extent it is able to do so, the Issuer shall deduct such taxes from the amounts payable to such Bondholder and all other Bondholders shall receive the due amounts payable to them.

Prior to the lapse of 3 (three) years from the Issue Date, the Issuer will not be entitled to exercise the redemption option as specified in the first paragraph above in accordance with the Ministry of Finance Notification Re: Approval for Issue of Bonds or Debentures Denominated in Thai Baht in Thailand, dated 11 April 2006, as amended

(the "**MOF Notification**") unless the MOF Notification is amended to permit such early redemption or a specific waiver or approval to redeem the Bonds early is granted to the Issuer by the Ministry of Finance of Thailand.

Details and conditions in respect of the redemption of the Bonds and the principal repayment are as specified in Conditions 9 and 10 of the Terms and Conditions – see Appendix A, "Terms and Conditions of the Bonds".

2. Form, total nominal amount and offer price

Form of the Bonds	:	Registered form
Nominal amount	:	Baht 1,000 each
Total nominal amount	:	Total nominal amount of all the Bonds is up to Baht 10,000,000,000, and total nominal amount of each series of the Bonds is as follows: The Series 1 Bonds: up to Baht 6,500,000,000 The Series 2 Bonds: up to Baht 4,500,000,000
Offer price	:	Baht 1,000 per unit

3. Delivery of the Bonds

a. Delivery of bond certificates

If a subscriber has requested in his subscription form that a Bond certificate in respect of the Bonds subscribed be issued under the name of such subscriber, the Issuer will cause the Registrar to issue such Bond certificate in the name of the subscriber and deliver it to such subscriber within 15 (fifteen) business days from the closing of the Subscription Period by registered mail at the address of the subscriber specified in his subscription form.

b. Bonds in scripless system

If a subscriber has requested in his subscription form that the Bonds be credited to the account maintained with the participants of the Thailand Securities Depository Company Limited ("**TSD**") under the "Scripless System", the Issuer will procure that the Registrar credits the allotted Bonds to the account maintained with the participants of TSD as specified in the subscription form within 7 (seven) business days from the closing of the Subscription Period. In such case, the Registrar will not issue a Bond certificate to the subscriber and will record in the register of the Bonds that TSD is holding the Bonds on behalf of the subscriber(s).



#### 4. Interest Payment

- Interest Calculation : Interest on the Bonds shall accrue at the Interest Rate and be payable semi-annually in arrears on each Interest Payment Date. Such interest shall be calculated on the outstanding principal amount of the Bonds.
- Interest Payment : Interest on the Bonds shall be payable in arrears to each Bondholder on each Interest Payment Date. The first Interest Payment Date shall be 30 September 2011 and the last Interest Payment Date in respect of the Series 1 Bonds shall be the Maturity Date of Series 1 Bonds, and, in respect of the Series 2 Bonds, shall be the Maturity Date of Series 2 Bonds.
- Interest Payment Date : every 30 March and 30 September of each year commencing on 30 September 2011 and ending on the Maturity Date in respect of each series of the Bonds.
- Interest Period : (a) with respect to the first Interest Period, the period commencing on, and including, the Issue Date and ending on, but excluding, the first interest Payment Date; and  
(b) with respect to any subsequent interest period, the period commencing on, and including, the Interest Payment Date of the preceding Interest Period and ending on, but excluding, the next Interest Payment Date of such Interest Period or the Maturity Date, as the case may be.
- Methods of Interest Payment : Payments of interest in respect of each Bond will be made to the Bondholder by means of: (i) a Baht crossed cheque marked "A/C Payee Only" drawn on a bank in Bangkok in the name of the Bondholder mailed to the address of the relevant Bondholder appearing on the Register Book; or (ii) transfer to the bank account of the Bondholders in Thailand as informed in the subscription form or in writing by the Bondholders to the Registrar at least 15 (fifteen) Business Days prior to the relevant Interest Payment Date; or (iii) such other method as may be agreed from time to time by the Issuer, the Bondholders' Representative and the Registrar, *provided that* payment of

interest with respect to the final Interest Payment Date may only be made upon surrender of the Bond Certificates (except for the Bonds deposited with TSD) at the principal office of the Registrar.

Non-Business Days : If any payment date under the Terms and Conditions (including, but not limited to the Maturity Date and the Interest Payment Date) falls on a day that is not a Business Day, the relevant amount due and payable shall be paid on the next Business Day (and no interest shall be calculated with respect to any such postponement except for the final Interest Payment Date), with the same force and effect as if made on the original payment date. In respect of the final Interest Payment Date, interest shall accrue in accordance with the Terms and Conditions until, but excluding, the actual date of payment.

Details and conditions in respect of the interest payment are as specified in Condition 9 of the Terms and Conditions – see Appendix A, "Terms and Conditions of the Bonds".

## 5. Transfer of the Bonds

### a. Transfers of Bonds not deposited with TSD

- (1) A transfer of Bonds is complete when the transferor whose name is registered in the Register Book as the owner of such Bonds, or the last person to whom such Bonds have been previously transferred in accordance with the Terms and Conditions, delivers to the transferee a duly endorsed Bond Certificate representing such Bonds.
- (2) A transfer of Bonds is only effective against the Issuer if the Registrar accepts the application to register the transfer together with the Bond Certificate duly endorsed by the transferor and the transferee.
- (3) A transfer of Bonds is only effective against third parties if the transfer is actually registered in the Register Book.
- (4) An application to register the transfer of Bonds must be made at the principal office of the Registrar during its normal business hours in accordance with the form and procedures prescribed by the Registrar. In connection with the application to register a transfer of Bonds, the applicant must deliver the following documents to the Registrar:

- (i) an application for registration of the transfer, together with the Bond Certificate duly endorsed pursuant to paragraphs 5.a.(1) and (2) above; and
  - (ii) any other evidence confirming the correctness and completeness of the transfer as may be specified by the Registrar.
- (5) The Registrar will register the transfer of Bonds in the Register Book within 7 (seven) business days after it receives the documents specified in paragraph 5.a. (4) above.
- (6) The Registrar shall decline to register a transfer of Bonds in a case where such transfer is in breach of the Terms and Conditions, the provisions of law, or a court order.

b. Transfers of Bonds deposited with TSD

Bonds deposited with TSD must be transferred in accordance with the applicable regulations of the Stock Exchange of Thailand, TSD and any other relevant regulatory authority and agency, including the relevant over-the-counter centers, that have issued regulations applicable to the transfer of the Bonds.

c. Bond transfer restriction

There is no transfer restriction of the Bonds.

6. Currency in which the Bonds are denominated

The Bonds are denominated in Thai Baht, the lawful currency of the Kingdom of Thailand. All payments under the Bonds will be made in Thai Baht.

**B. COVENANTS RELATING TO THE ISSUANCE OF THE BONDS**

There is no material covenant which requires the Issuer to take or refrain from taking certain actions, such as financial covenants.

The Issuer undertakes to comply with the covenants set out below for so long as any debt under the Bonds remains outstanding.

1. Appointment of Replacement of Bondholders' Representative and Registrar

If it becomes necessary to replace the Bondholders' Representative and/or the Registrar, the Issuer shall appoint a replacement Bondholders' Representative and Registrar (as the case may be) as soon as practicable, but in any case no later than 45 (forty-five) days from the date on which the Issuer is aware of the necessity for such replacement.

2. Listing on the Thai Bond Market Association ("**TBMA**")

The Issuer shall, on or prior to the Issue Date, register the Bonds with TBMA and shall use its best effort to maintain the Bonds as listed securities on TBMA until all the Bonds are fully redeemed.

3. Information

- a. The Issuer shall deliver to the SEC and the Bondholders' Representative copies of its reviewed but unaudited interim financial statements (if prepared) and audited annual financial statements including, if prepared, consolidated financial statements of the Issuer and its consolidated subsidiaries, for the relevant financial period and year, within the same period as that required by a stock exchange on which the Issuer's shares are listed or by any other relevant supervisory authorities, whichever is the earlier, but in any case, shall be no later than 180 days from the end of the Issuer's fiscal year. If, after the Issue Date, such submission period to the SEC is changed under the applicable laws or regulations, the Issuer shall comply with the new submission period or requirements according to such amended applicable laws or regulations.
- b. The Issuer shall report to the SEC as promptly as possible when there is a material adverse change to the Issuer's business or financial status.

**C. GUARANTEES**

There is no guarantee in respect of the Bonds.

**D. LIENS**

The Bonds are unsecured, i.e. there is no collateral provided to secure any payment under the Bonds.

**E. SUBORDINATION AND LIMITATION OF RIGHTS**

1. The rights of the holders of the Bonds to enforce their rights as creditors against the Issuer rank at least *pari passu* with all other present and future unsecured and unsubordinated creditors of the Issuer, save for such as may be preferred by mandatory provisions of applicable law.
2. As of the date hereof, (i) the Issuer has no other existing securities holders or creditors, whose outstanding indebtedness is senior to the indebtedness under the Bonds; and (ii) there is no limitation or restriction prohibiting the Issuer to create any additional senior indebtedness.

## F. DEFAULT

Each of the following events constitutes an event of default under the Terms and Conditions (an "**Event of Default**"):

1. default is made for more than 30 days in the payment of interest or principal in respect of the Bonds;
2. the Issuer fails to perform or observe any of its other obligations under the Bonds or the Terms and Conditions and such failure has continued for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied;
3. the Issuer is declared bankrupt, or the Issuer is granted a moratorium (surseance van betaling) or a declaration in respect of the Issuer is made to apply the emergency regulation (noodregeling) under Chapter 3, Section 3.5.5.1 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht); and
4. an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of combination with another company, the terms of which merger, consolidation or combination: (i) have the effect of the emerging or such other surviving company assuming all obligations contracted by the Issuer in connection with the Bonds; or (ii) have previously been approved by a resolution of Bondholders' meeting.

## G. CONSEQUENCES OF A FAILURE TO MAKE PAYMENT

According to the Terms and Condition, if the Issuer fails to make a payment of interest and/or principal in respect of the Bonds on the due date, the Issuer will be granted a grace period or remedy period of 30 (thirty) days for making such payment. If the Issuer is still unable to make the payment within 30 (thirty) days from the original due date of payment, such failure to make payment will constitute an Event of Default whereby the Bondholders' Representative shall accelerate all debts under the Bonds by sending a default notice to the Issuer to declare the Bonds to be immediately due and payable and demand that the Issuer pay all outstanding principal amounts of the Bonds together with interest accrued thereon until (but excluding) the date of payment.

## H. REPRESENTATIVE OF THE BONDHOLDERS

1. Name of the Bondholders' Representative

The Issuer has appointed CIMB Thai Bank Public Company Limited to act as a representative of the Bondholders (the "**Bondholders' Representative**"), in full compliance with all applicable laws as well as the Notification of the Securities and Exchange Commission No. Tor Jor. 37/2552 Re: Qualifications Required for the Bondholders' Representative and Performance of the Bondholders' Representative according to its Powers and Duties dated 3 August 2009 (as amended) and any other relevant laws and regulations concerning a bondholders' representative. The Bondholders' Representative has been approved by the SEC and other relevant

authorities to perform its duties and functions as a representative of the Bondholders, as required by applicable laws and regulations.

2. Bondholders' Representative's address and conflict of interest

The Bondholders' Representative, CIMB Thai Bank Public Company Limited, whose head office is located at 44 Langsuan Road, Lumpini, Patumwan, Bangkok 10330, Thailand and its affiliates have no relationship with the Issuer in such a way as would create any conflict of interest pursuant to the Notification of the Securities and Exchange Commission regarding the qualifications of the bondholders' representative and its performance in accordance with the functions and authorities of the bondholders' representative.

3. Requirements and conditions for performance by the Bondholders' Representative acting on behalf of the Bondholders

There is no specific requirement before the Bondholders' Representative can act on behalf of the Bondholders. Generally, the Bondholders' Representative is required to perform all of its duties and obligations as specified in the Terms and Conditions and the Bondholders' Representative Appointment Agreement. In addition, the Bondholders' representative must also comply with and act upon any resolution purporting to have been passed at any meeting of the Bondholders in accordance with the Terms and Conditions.

4. Indemnification in respect of the Bondholders' Representative's performance

There is no condition or requirement under the Bondholders' Representative Appointment Agreement or the Terms and Conditions that the Bondholders' Representative be indemnified or secured before its proceeding to enforce or make a claim against the Issuer or before taking any other action upon the request of the Bondholders in accordance with the Terms and Conditions.

5. Material terms of the Bondholders' Representative Appointment Agreement and the Issuer's obligations to disclose information

a. Material terms of the Bondholders' Representative Appointment Agreement

**Name of the Agreement** : Bondholders' Representative Appointment Agreement

**Parties to the Agreement** : ING Bank N.V. as the Issuer; and  
CIMB Thai Bank Public Company Limited as the Bondholders' Representative

**Effective Date** : The Issue Date of the Bonds

- Material Terms** : The Issuer and the Bondholders' Representative agree to be bound by and shall have all powers, duties, obligations and responsibilities as specified in the Terms and Conditions, the Bondholders' Representative Appointment Agreement and all applicable laws and regulations. The Bondholders' Representative shall act at all times in accordance with the Terms and Conditions, the Bondholders' Representative Appointment Agreement and any applicable laws and regulations at a professional level for the benefit of the Bondholders.
- Objectives** : The Issuer wishes to appoint the Bondholders' Representative to act as the representative of the Bondholders in relation to the Bonds and the Bondholders' Representative wishes to accept such appointment in accordance with the Terms and Conditions, the terms and conditions of the Bondholders' Representative Appointment Agreement and all applicable laws and regulations.
- Remuneration** : The Issuer shall pay to the Bondholders' Representative an annual fee for acting as the Bondholders' Representative in the amount specified in the Bondholders' Representative Appointment Agreement. Such fee shall be payable to the Bondholders' Representative within 7 Business Days after the Issue Date for the first payment and thereafter annually on the anniversary of the Issue Date throughout the term of the Bonds. The last payment shall be inclusively calculated until the date of the last interest and principal payments of the Bonds.
- Termination events** : (1) The Bondholders' Representative Appointment Agreement shall be terminated upon the Bondholders having received all payments under the Terms and Conditions and the Bondholders' Representative has fully performed all its duties as

specified in this Agreement, the Terms and Conditions and any applicable law.

- (2) Subject to Clause 9.1 of the Bondholders' Representative Appointment Agreement, the Issuer and the Bondholders' Representative may terminate such agreement by giving a written notice of termination at least 60 days in advance to the other party thereto.
- (3) Subject to Clause 9.1 of the Bondholders' Representative Appointment Agreement, such agreement shall be terminated if the Bondholders' meeting resolves to terminate the appointment of the Bondholders' Representative or the Bondholders are deemed to give approval for a change of Bondholders' Representative, respectively in accordance with the Terms and Conditions.
- (4) Subject to Clause 9.1 of the Bondholders' Representative Appointment Agreement, such agreement shall be terminated in accordance with the Condition 16.2 of the Terms and Conditions.
- (5) Subject to further agreement between the parties, the Bondholders' Representative Appointment Agreement shall be terminated if the Bonds are not issued on the Issue Date.
- (6) Subject to Clause 9.1 of the Bondholders' Representative Appointment Agreement, if at any time the Bondholders' Representative:
  - (i) becomes incapable of acting or becomes disqualified to act a bondholders' representative and fails to rectify such



incapability or disqualification within 30 (thirty) days from the date when such incapability or disqualification takes place;

- (ii) files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of an administrator, liquidator or administrative or other receiver of all or any substantial part of its property;
- (iii) admits in writing its inability to pay or meet its debts as they become due or suspends payment thereof;
- (iv) becomes subject to any order of any court approving any petition filed by or against it under the provisions of any applicable bankruptcy or insolvency law; or
- (v) has a receiver appointed over all or a substantial part of its property or if any officer takes charge or control of the Bondholders' Representative or of its property or affairs for the purpose of rehabilitation or liquidation,

then, the Issuer may forthwith immediately terminate the Bondholders' Representative Appointment Agreement, in which event notice thereof shall be given by the Issuer to the Bondholders as soon as practicable thereafter.

***Governing Law*** : The laws of Thailand

b. Access to the Bondholders' Representative Appointment Agreement

A copy of the executed Bondholders' Representative Appointment Agreement will be made available for inspection by the Bondholders at the principal office of the Bondholder's Representative during its normal business hours.

- c. The Issuer's obligations to make disclosure
  - (1) The Issuer shall deliver to the SEC and the Bondholders' Representative copies of its reviewed but unaudited interim financial statements (if prepared) and audited annual financial statements including, if prepared, consolidated financial statements of the Issuer and its consolidated subsidiaries, for the relevant financial period and year, within the same period as that required by a stock exchange on which the Issuer's shares are listed or by any other relevant supervisory authorities, whichever is the earlier, but in any case, shall be no later than 180 days from the end of the Issuer's fiscal year. If, after the Issue Date, such submission period to the SEC is changed under the applicable laws or regulations, the Issuer shall comply with the new submission period or requirements according to such amended applicable laws or regulations.
  - (2) The Issuer shall report to the SEC as promptly as possible when there is a material adverse change to the Issuer's business or financial status.

## **I. MEETING OF THE BONDHOLDERS**

- 1. The Issuer or the Bondholders' Representative are entitled to call a Bondholders' Meeting (a "**Meeting**") at any time. The Bondholders' Representative shall promptly convene a Meeting:
  - a. within 30 (thirty) days from its receipt of a written request from one or more Bondholder(s) together holding not less than 25 (twenty-five) per cent. of the total outstanding principal amount of the Bonds; or
  - b. as soon as possible after the Bondholders' Representative has become aware of an occurrence of any of the following events:
    - (1) an Event of Default has occurred and no default notice has been sent to the Issuer as specified in Condition 13.2 of the Terms and Conditions;
    - (2) a proposal to amend material terms of the Conditions has been made pursuant to Condition 17.1 of the Terms and Conditions;
    - (3) an appointment of a new Bondholders' Representative is required except in the case where the Issuer has sent a notice to the Bondholders' Representative pursuant to Condition 16.3 (b) of the Terms and Conditions; or
    - (4) there is any significant event that the Bondholders' Representative, or any one or more of the Bondholders together holding not less than 25 (twenty-five) per cent. of the total outstanding principal amount of the Bonds (by a written notice to the Bondholders' Representative), deem

that it may adversely affect the Bondholders' interest or the ability of the Issuer to comply with its obligations under the Terms and Conditions.

2. A resolution duly passed at a duly convened Meeting shall be binding upon all Bondholders, whether or not present at the Meeting.
3. The Bondholders' Representative may adopt a resolution without holding a Meeting if Bondholders approve the action by placing their signatures on a copy of the text of the resolution (the "**Circular Meeting**"). Any such resolution shall be effective and duly bind all the Bondholders (regardless of whether or not a Bondholder has executed or accepted such resolution) when it has been signed by the Bondholders holding the aggregate number of votes required to pass such resolution in accordance with Clause 6 of Annex B to the Terms and Conditions, provided that the counting of the number of votes is based on the total outstanding amount of the Bonds. The duly signed copy or copies of the resolution shall be delivered to the Bondholders' Representative within a reasonable period of time as determined by the Bondholders' Representative and placed in the minutes of the Meeting with a copy to the Registrar and the Issuer.
4. A meeting of Bondholders pursuant to the Terms and Conditions (including the Circular Meeting) shall be joint meeting of the Bondholders of all the Series 1 Bonds and the Series 2 Bonds whereby a number of quorum and vote shall be calculated based on the aggregate number of the Series 1 Bonds and the Series 2 Bonds, provided that (i) if any issue or agenda put to vote in the meeting (in the case where the meeting consider various agendas) would specifically affect only Bondholders of either of the Series 1 Bonds or the Series 2 Bonds, the calculation and counting of the number of quorum and vote shall be made only in respect of the Bondholders of each relevant series of Bonds; and (ii) if all the agendas to be considered in any meeting would affect only Bondholders of either of the Series 1 Bonds or the Series 2 Bonds, only such relevant Bondholders shall be called to attend the meeting or pass a written resolution for the Circular Meeting (as specified in Condition 14.3 of the Terms and Conditions)
5. The Issuer shall be responsible for all reasonable costs and expenses incurred in connection with the convening and holding of any Meeting.

6. Rules and conditions relating to a Meeting:

a. Calling a Meeting

The Issuer or the Bondholders' Representative may call a Meeting by requesting the Registrar to send notice of the Meeting by registered mail to the Bondholders and the Issuer or the Bondholders' Representative (who is not the person calling for the meeting) at least 7 (seven) days (excluding the date of delivery of such notice of the meeting and the meeting date) prior to the proposed Meeting date. Such notice shall be in the English and Thai languages and shall specify the date, time and place for the Meeting, the agenda of the Meeting and the identity of the party calling the Meeting. The Registrar shall deliver notice of the Meeting to all Bondholders whose names and addresses appear in the Register Book on the Record Date.

b. Eligibility to Attend Meeting

The following persons are eligible to attend each Meeting:

- (1) the Bondholders, the Issuer and the Bondholders' Representative;
- (2) the Bondholders may appoint another Bondholder(s) or any person ("**Proxy**") to attend the Meeting and vote on their behalf, by executing a written proxy appointment in the form as set out by the Registrar, available at the principal office of the Registrar, provided that the original proxy form and the notice calling the Meeting must be submitted to the Registrar prior to the time scheduled for the Meeting;
- (3) on the request of the Issuer and/or the Bondholders' Representative, financial advisors, legal advisors or other persons involved with the matters to be discussed at the Meeting; and
- (4) any person permitted by the chairman of the Meeting to attend the Meeting for observation.

c. Quorum Requirements

- (1) Except with respect to meetings of Bondholders convened to approve the matters set out in paragraphs f. (3) and (4) below, a quorum of a meeting of Bondholders shall be constituted by the presence of at least two Bondholders holding in aggregate not less than 25 (twenty-five) per cent. of the outstanding Bonds.
- (2) If a meeting is adjourned due to the lack of a quorum as required by paragraph b. (1) above, the quorum for a subsequent meeting shall be constituted by the presence of two or more Bondholders, regardless of the aggregate number of Bonds held by them.
- (3) A quorum of a meeting of the Bondholders convened to consider the matters set out in paragraph f. (3) below shall be constituted by the presence of at least two Bondholders holding in aggregate not less than 50 (fifty) per cent. of the outstanding Bonds. If a meeting is adjourned due to the lack of a quorum as required by this paragraph b. (3), the

quorum for a subsequent meeting shall be constituted by the presence of at least two Bondholders holding in aggregate not less than 25 (twenty-five) per cent. of the outstanding Bonds.

- (4) A quorum of a meeting of the Bondholders convened to consider the matters set out in paragraph f. (4) below shall be constituted by the presence of at least two Bondholders holding in aggregate not less than 66 (sixty-six) per cent. of the outstanding Bonds. If a meeting is adjourned due to the lack of a quorum as required by this paragraph c. (4), the quorum for a subsequent meeting shall be constituted by the presence of at least two Bondholders holding in aggregate not less than 33 (thirty-three) per cent. of the outstanding Bonds.

d. Chairman of the Meeting

The Bondholders' Representative or such person authorized by the Bondholders' Representative shall preside as chairman of the meeting. Should the chairman of the meeting be absent upon a lapse of 45 (forty-five) minutes from the time scheduled for the meeting, the meeting shall elect any Bondholder to preside over such meeting.

e. Adjournment of the Meeting

- (1) At any meeting of the Bondholders, upon a lapse of 45 (forty-five) minutes from the time scheduled for the meeting, should the number of the Bondholders attending the meeting remain insufficient to constitute a quorum, the chairman of the meeting shall adjourn the meeting as follows:
  - (i) If the meeting was called by the Issuer or the Bondholders' Representative, the chairman of the meeting shall adjourn the meeting to the date, time and place as specified by the chairman. The date for the adjourned meeting shall not be less than 7 (seven) days but not more than 14 (fourteen) days from the previous meeting date, unless the Issuer and the Bondholders' Representative agree not to call another meeting. In addition, the matters to be considered and resolved at the adjourned meeting must be only those pending from the previous meeting;
  - (ii) If the meeting was called by the Bondholders, no adjourned meeting shall be called as provided by paragraph e. (1) (i) above; and
  - (iii) If the meeting was called due to the absence of a quorum at the previous meeting, no adjourned meeting shall be called as provided by paragraph (a) above.
- (2) The Registrar shall deliver the notice of any adjourned meeting to the Issuer, the Bondholders' Representative and the Bondholders who were sent notices of the previous meeting, not less than 3 (three) days prior to the adjourned meeting (excluding the date of the notice of the meeting and the meeting date). Such notice of the meeting shall specify the date,

time and place for the meeting, the agenda of the meeting and quorum required for the adjourned meeting.

f. Resolutions of the Meeting

- (1) Resolutions on any matters by the meeting of the Bondholders shall be decided by a show of hands or casting of votes as selected by the chairman of the meeting. The votes held by each of the Bondholders will be equal to the number of Bonds held by them and one unit of Bonds shall be entitled to one vote. In the case of an equal vote, the chairman of the meeting shall have a decisive (casting) vote (for both a show of hands and secret ballot) in addition to the votes that the chairman of the meeting may be entitled to cast in his or her capacity as a Bondholder or a Proxy.
- (2) Resolutions of the meeting of the Bondholders on any matters other than those specified in paragraphs f. (3) and (4) below shall be decided by a majority of votes representing not less than 50 (fifty) percent of all votes of the Bondholders attending the meeting and casting their votes.
- (3) Resolutions of the meeting of the Bondholders on any of the following matters shall be decided by a majority of votes representing not less than 66 (sixty-six) percent of all votes of the Bondholders attending the meeting and casting their votes.
  - (i) any amendment or waiver to the Terms and Conditions other than those matters specified in paragraph f. (4) below; and
  - (ii) any replacement of the Bondholders' Representative and the appointment of a new Bondholders' Representative.
- (4) Resolutions of the Meeting on any of the following matters shall be decided by a majority of votes representing not less than 75 (seventy-five) per cent. of all votes of the Bondholders attending the Meeting and casting their votes.
  - (i) the repayment of Bonds by way of conversion of the Bonds into shares, other Bonds or other property of the Issuer or any person;
  - (ii) any amendment to the Maturity Date or the due date for any payment in respect of the Bonds;
  - (iii) any amendment to, reduction, cancellation, or change of the security, the amount of principal, interest and/or any other sum due or payable in respect of the Bonds;
  - (iv) a change of the currency of any payment to be made in respect of the Bonds;
  - (v) any amendment to the requirements for the meeting of the Bondholders in relation to quorum (paragraph b. above) and resolutions of the Meeting in this paragraph f.; and

- (vi) any amendment to the Terms and Conditions to enable any actions relating to (i) to (v) above.
- (5) Any Bondholder that has any conflict of interest with respect to any matter to be decided at a meeting of Bondholders shall not be entitled to vote on such matter.
- g. Minutes of the Meeting

Within 14 (fourteen) days after the date of the meeting of the Bondholders, the Bondholders' Representative shall prepare the minutes of the meeting. The chairman of the meeting shall certify such minutes as accurate and the Bondholders' Representative shall keep the original minutes and make copies available for inspection by the Bondholders at its principal office during normal business hours.

## **J. MODIFICATION OF THE TERMS AND CONDITIONS**

1. Subject to paragraph 2 below, any amendment to the Terms and Conditions requires the approval of the Issuer and the Bondholders' meeting in accordance with Annex B to the Terms and Conditions.
2. The Bondholders' Representative may agree with the Issuer to amend any Conditions under the Terms and Conditions in any respect without having to first obtain consent from a Bondholders' meeting if: (i) the Bondholders' Representative deems that such amendments or modifications are beneficial to the Bondholders or are in a manner that would not prejudice the Bondholder's rights; or (ii) such amendments or modifications are required in order to correct any manifest errors or to ensure they are in line with the relevant law and regulations, provided that such amendments or modifications shall not adversely affect the rights of the Bondholders under the Terms and Conditions.
3. The Issuer shall deliver the amended Terms and Conditions to the Registrar and the Bondholders' Representative and shall cause the Registrar or the Bondholders' Representative to deliver such amended Terms and Conditions to the SEC within 15 (fifteen) days from the date of such amendment and to the Bondholders upon written request.

## **K. PAYING AGENT**

Thailand Securities Depository Company Limited ("**TSD**"), whose address is at 62, The Stock Exchange of Thailand Building, Ratchadaphisek Road, Klongtoey, Bangkok 10110, Thailand, is appointed by the Issuer to act as a registrar and paying agent in respect of the Bonds. As a paying agent, TSD is responsible for making payments on the Bonds. Bondholders may contact TSD for collection of any payment due in accordance with and subject to the Terms and Conditions.

**L. CREDIT RATING**

The Bonds were assigned a long term credit rating of AAA(thai) by Fitch Ratings (Thailand) Limited on 11 March 2011.

**M. APPLICABLE LAW**

The Bonds and the Terms and Conditions are governed by and construed in accordance with the law of Thailand.



### III. RISK FACTORS

#### A. RISKS RELATING TO THE ISSUER AND ITS INDUSTRY

Set out below are risk factors which could affect the future financial performance of the Issuer and its subsidiaries (together "ING Bank") and thereby potentially affect the Issuer's ability to fulfill its obligations in respect of securities issued or guaranteed by it. The factors discussed below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties ING Bank's businesses face. The Issuer has described only those risks relating to its operations of which it is aware and that it considers to be material. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware and any of these risks could have the effects set forth above. Investors should note that they bear the Issuer's solvency risk.

***Because ING Bank is part of an integrated financial services group conducting business on a global basis, the financial performance of ING Bank is affected by the volatility and strength of the economic, business and capital markets environments specific to the geographic regions in which it conducts business. The ongoing turbulence and volatility of such factors have adversely affected, and may continue to adversely affect the financial condition of ING Bank***

Factors such as interest rates, securities prices, credit (including liquidity) spreads, exchange rates, consumer spending, business investment, real estate and private equity valuations, government spending, inflation, the volatility and strength of the capital markets, and terrorism all impact the business and economic environment and, ultimately, the amount and profitability of business ING Bank conducts in a specific geographic region. For example, in an economic downturn, such as the one that has affected world economies since mid-2007, characterised by higher unemployment, lower family income, lower corporate earnings, higher corporate and private debt defaults, lower business investment and consumer spending, the demand for banking products is adversely affected and ING Bank's reserves and provisions are likely to increase, resulting in lower earnings. Securities prices, real estate valuations and private equity valuations may be adversely impacted, and any such losses would be realised through profit and loss and shareholders' equity. In particular, a downturn in the equity markets causes a reduction in commission income ING Bank earns from managing portfolios for third parties, income generated from its own proprietary portfolios and its capital base. ING Bank also offers a number of financial products that exposes it to risks associated with fluctuations in interest rates, securities prices, corporate and private default rates, the value of real estate assets, exchange rates and credit spreads.

In case one or more of the factors mentioned above adversely affects the profitability of ING Bank's business this might also result, among other things, in the following:

- the write down of tax assets impacting net results; and/or
- impairment expenses related to goodwill and other intangible assets, impacting net results.

In 2008 and 2009, shareholders' equity and net result of ING Bank were significantly impacted by the turmoil and the extreme volatility in the worldwide financial markets. Further negative developments in financial markets and/or economies may have a material adverse impact on ING Bank's shareholders' equity and net result in future periods, including as a result of the potential

consequences listed above. In the normal course of business ING Bank continues to develop, recalibrate and refine the various models that support risk metrics (see the section "Risk Management" in the Issuer's consolidated financial statements attached as Appendix B, "The Issuer's Consolidated Financial Statement December 31, 2009" hereto), which may result in changes to the risk metrics as disclosed. Recalibration based on the recently experienced market turbulence may have a material impact on ING Bank's economic capital.

***Adverse capital and credit market conditions may impact ING Bank's ability to access liquidity and capital, as well as the cost of credit and capital***

The capital and credit markets have been experiencing extreme volatility and disruption for more than two years. In the second half of 2008, the volatility and disruption reached unprecedented levels. In some cases, market developments have resulted in restrictions on the availability of liquidity and credit capacity for certain issuers.

ING Bank needs liquidity in its day-to-day business activities to pay its operating expenses, interest on its debt and any dividends on its capital stock; maintain its securities lending activities; and replace certain of its maturing liabilities. The principal sources of liquidity of ING Bank are deposit funds and cash flow from its investment portfolio and assets, consisting mainly of cash or assets that are readily convertible into cash. Sources of liquidity in normal markets also include a variety of short- and long-term instruments, including repurchase agreements, commercial paper, medium- and long-term debt, junior subordinated debt securities, capital securities and shareholders' equity.

In the event that current resources do not satisfy ING Bank's needs, it may need to seek additional financing. The availability of additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the volume of trading activities, the overall availability of credit to the financial services industry, its credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of its long- or short-term financial prospects. Similarly, ING Bank's access to funds may be limited if regulatory authorities or rating agencies take negative actions against it. If ING Bank's internal sources of liquidity prove to be insufficient, there is a risk that external funding sources might not be available, or available on unfavourable terms.

Disruptions, uncertainty or volatility in the capital and credit markets may also limit ING Bank's access to capital required to operate its business. Such market conditions may limit the ability of ING Bank to raise additional capital to support business growth, or to counter-balance the consequences of losses or increased regulatory capital requirements. This could force ING Bank to (1) delay raising capital, (2) reduce, cancel or postpone interest payments on its securities, (3) issue capital of different types or under different terms than it would otherwise or (4) incur a higher cost of capital than in a more stable market environment. This would have the potential to decrease both ING Bank's profitability and its financial flexibility. ING Bank's financial condition, cash flows and regulatory capital position could be materially adversely affected by disruptions in the financial markets.

In the course of 2008 and 2009, governments around the world, including the Dutch government, implemented unprecedented measures to provide assistance to financial institutions, in certain cases requiring (indirect) influence on or changes to governance and remuneration practices. In certain cases governments nationalised companies or parts thereof. The measures adopted in The Netherlands consist of both liquidity provision and capital reinforcement, and a Dutch Credit

Guarantee Scheme. The liquidity and capital reinforcement measures expired on 10 October 2009, while the Credit Guarantee Scheme of The Netherlands is now scheduled to run through 30 June 2010. To date, ING Bank has been able to benefit from these measures, but ING Bank's participation in these measures has resulted in certain material restrictions on it, including those agreed to with the European Commission ("EC") as part of ING's restructuring plan (the "Restructuring Plan").

The Restructuring Plan as well as any potential future transactions with the Dutch State or other government, if any, or actions by such government regarding ING Bank or ING (as defined in the Clause VIII. "Information About the Issuer – General Information about the Issuer" in this Prospectus) generally could adversely impact the position or rights of ING Bank's shareholder, bondholders, customers or creditors and ING Bank's results, operations, solvency, liquidity and governance.

In addition, ING Bank has built its liquidity risk framework on the premise that its liquidity is most efficiently and effectively managed by a centralised group function. However, ING Bank is subject to the jurisdiction of a variety of banking regulatory bodies, some of which have proposed regulatory changes that, if implemented, would hinder ING Bank's ability to manage its liquidity in such a centralised manner. Furthermore, regulatory liquidity requirements in certain jurisdictions in which ING Bank operates are generally becoming more stringent, undermining ING Bank's efforts to maintain this centralised management of its liquidity. These developments may cause trapped pools of liquidity, resulting in inefficiencies in the cost of managing ING Bank's liquidity, and hinder its efforts to integrate its balance sheet, which is an essential element of ING's Back to Basics programme and its Restructuring Plan.

#### ***The default of a major market participant could disrupt the markets***

Within the financial services industry the default of any one institution could lead to defaults by other institutions. The failure of a sufficiently large and influential institution could disrupt securities markets or clearance and settlement systems in ING Bank's markets. This could cause market declines or volatility. Such a failure could lead to a chain of defaults that could adversely affect ING Bank and its contract counterparties. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, as was the case after the bankruptcy of Lehman Brothers, because the commercial and financial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of, or questions about, a counterparty may lead to market-wide liquidity problems and losses or defaults by ING Bank or by other institutions. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom ING Bank interacts on a daily basis. Systemic risk could have a material adverse effect on ING Bank's ability to raise new funding and on its business, financial condition and/or prospects. In addition, such a failure could impact future product sales as a potential result of reduced confidence in the financial services industry.

ING Bank believes that despite increased attention recently, systemic risk to the markets in which it operates continues to exist, and dislocations caused by the interdependency of financial market participants continue to be a potential source of material adverse changes to ING Bank's business and financial condition.

***Because ING Bank's businesses are subject to losses from unforeseeable and/or catastrophic events, which are inherently unpredictable, ING Bank may experience an abrupt interruption of activities, which could have an adverse effect on its financial condition***

Unforeseeable and/or catastrophic events can lead to an abrupt interruption of activities and ING Bank's business operations may be subject to losses resulting from such disruptions. Losses can relate to property, financial assets, trading positions, insurance and pension benefits to employees and also to key personnel. If ING Bank's business continuity plans are not able to be put into action or do not take such events into account, such events could adversely affect ING Bank's financial condition.

***ING Bank operates in a highly regulated industry. There could be an adverse change or increase in the financial services laws and/or regulations governing ING Bank's business***

ING Bank is subject to detailed banking and other financial services laws and government regulation in each of the jurisdictions in which it conducts business. Regulatory agencies have broad administrative power over many aspects of the financial services business, which may include liquidity, capital adequacy and permitted investments, ethical issues, anti-money laundering, privacy, record keeping, and marketing and selling practices. Banking and other financial services laws, regulations and policies currently governing ING Bank may also change at any time in ways which have an adverse effect on ING Bank's business, and it is difficult to predict the timing or form of any future regulatory or enforcement initiatives in respect thereof. Also, bank regulators and other supervisory authorities in the European Union ("EU"), the United States and elsewhere continue to scrutinize payment processing and other transactions under regulations governing such matters as money-laundering, prohibited transactions with countries subject to sanctions, and bribery or other anti-corruption measures. Regulation is becoming increasingly more extensive and complex and regulators are focusing increased scrutiny on the industries in which ING Bank operates, often requiring additional resources of ING Bank. These regulations can serve to limit ING Bank's activities, including through its net capital, customer protection and market conduct requirements, and restrictions on businesses in which ING Bank can operate or invest. If ING Bank fails to address, or appears to fail to address, appropriately any of these matters, ING Bank's reputation could be harmed and it could be subject to additional legal risk, which could, in turn, increase the size and number of claims and damages asserted against ING Bank or subject it to enforcement actions, fines and penalties.

In light of current conditions in the global financial markets and the global economy, regulators have increased their focus on the regulation of the financial services industry. Most of the principal markets where ING Bank conducts its business have adopted, or are currently considering, major legislative and/or regulatory initiatives in response to the financial crisis. In particular, governmental and regulatory authorities in The Netherlands, the United Kingdom, the United States and elsewhere are implementing measures to increase regulatory control in their respective financial markets and financial services sectors, including in the areas of prudential rules, capital requirements, executive compensation and financial reporting, among other areas. For example, on 17 December 2009 the Basel Committee issued two consultative documents proposing reforms to bank capital and liquidity regulation and the EC is also considering increasing the capital requirements for banks. In addition, the International Accounting Standards Board ("IASB") is considering changes to several IFRS standards, including significant changes to the standard on financial instruments (IAS 39) and to the standard on

pensions (IAS 19). These changes could have a material impact on ING Bank's financial condition.

Governments in The Netherlands and abroad have also intervened on an unprecedented scale, responding to stresses experienced in the global financial markets. Some of the measures adopted subject ING Bank and other institutions for which they were designed to additional restrictions, oversight or costs. As a result of having received state aid through the Core Tier-1 Securities and the Illiquid Assets Back-Up Facility (together, the "Dutch State Transactions"), ING was required to submit its Restructuring Plan to the EC in connection with obtaining final approval for the Dutch State Transactions. The implementation of the Restructuring Plan and the divestments anticipated in connection with that plan will significantly alter the size and structure of ING and involve significant costs and uncertainties that could materially impact ING Bank. ING Bank cannot predict whether or when future legislative or regulatory actions may be taken, or what impact, if any, actions taken to date or in the future could have on its business and financial condition.

Despite ING Bank's efforts to maintain effective compliance procedures and to comply with applicable laws and regulations, there are a number of risks in areas where applicable regulations may be unclear, subject to multiple interpretation or under development or may conflict with one another, where regulators revise their previous guidance or courts overturn previous rulings, or ING Bank fails to meet applicable standards. Regulators and other authorities have the power to bring administrative or judicial proceedings against ING Bank, which could result, amongst other things, in suspension or revocation of ING Bank's licenses, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action which could materially harm ING Bank's financial condition.

***Ongoing turbulence and volatility in the financial markets have adversely affected ING Bank, and may continue to do so***

ING Bank's financial performance is materially impacted by conditions in the global capital markets and the economy generally. The stress experienced in the global capital markets that started in the second half of 2007 continued and substantially increased throughout 2008 and, although market conditions improved, volatility continued in 2009, particularly the early part of the year. The crisis in the mortgage market in the United States, triggered by a serious deterioration of credit quality, led to a revaluation of credit risks. These conditions resulted in greater volatility, widening of credit spreads and overall shortage of liquidity and tightening of financial markets throughout the world. In addition, prices for many types of asset-backed securities ("ABS") and other structured products significantly deteriorated. These concerns have since expanded to include a broad range of fixed income securities (even certain investment grade securities and certain government bonds), the international credit and interbank money markets generally, and a wide range of financial institutions and markets, asset classes, such as public and private equity, and real estate sectors. As a result, the market for fixed income instruments has experienced decreased liquidity, increased price volatility, credit downgrade events, and increased probability of default. Securities that are less liquid are more difficult to value and may be hard to dispose of. International equity markets also have experienced heightened volatility and turmoil, with issuers, including ING Bank, that have exposure to the real estate, mortgage, private equity and credit markets particularly affected. These events and market upheavals, including extreme levels of volatility, have had and may continue to have an adverse effect on ING Bank's financial performance, in part because it has a large investment

portfolio and extensive real estate activities around the world. In addition, the confidence of customers in financial institutions is being tested. Consumer confidence in financial institutions may, for example, decrease due to ING Bank's or its competitors' failure to communicate to customers the terms of, and the benefits to customers of, complex or high-fee financial products. Reduced confidence could have an adverse effect on ING Bank's financial condition, including, in particular, through a withdrawal of deposits. Because a significant percentage of ING Bank's customer deposit base is originated via Internet banking, a loss of customer confidence may result in a rapid withdrawal of deposits over the Internet.

As a result of the ongoing and unprecedented volatility in the global financial markets in 2007 and 2008, ING Bank incurred substantial negative revaluations on its investment portfolio, which have impacted its earnings and shareholders' equity. During 2009, however, the revaluation reserve position improved substantially, positively impacting shareholders' equity.

Such impacts have arisen primarily as a result of valuation issues arising in connection with ING Bank's investments in real estate (both in and outside the United States) and private equity, exposures to US mortgage-related structured investment products, including sub-prime and Alt-A residential and commercial mortgage-backed securities ("RMBS" and "CMBS", respectively), collateralised debt obligations ("CDOs") and collateralised loan obligations ("CLOs"), monoline insurer guarantees and other investments. In many cases, the markets for such investments and instruments have been and remain highly illiquid, and issues relating to counterparty credit ratings and other factors have exacerbated pricing and valuation uncertainties. Valuation of such investments and instruments is a complex process involving the consideration of market transactions, pricing models, management judgment and other factors, and is also impacted by external factors such as underlying mortgage default rates, interest rates, rating agency actions and property valuations. While ING Bank continues to monitor its exposures in this area, in light of the ongoing market environment and the resulting uncertainties concerning valuations, there can be no assurances that ING Bank will not experience further negative impacts to its shareholders' equity or profit and loss accounts from such assets in future periods.

***The implementation of the Restructuring Plan and the divestments anticipated in connection with that plan will significantly alter the size and structure of ING and involve significant costs and uncertainties that could materially impact ING Bank***

In November 2008 the Dutch State purchased the Core Tier-1 Securities, and in the first quarter of 2009 ING and the Dutch State entered into the Illiquid Assets Back-Up Facility (the "Illiquid Assets Back-Up Facility") pursuant to which ING transferred to the Dutch State the economic risks and rewards of 80% of the approximately EUR 30 billion par value Alt-A residential mortgage-backed securities (RMBS) portfolios of ING Direct US and ING Insurance Americas.

As a result of having received state aid through the Dutch State Transactions, ING was required to submit its Restructuring Plan to the EC in connection with obtaining final approval for the Dutch State Transactions under the EC state aid rules. On 26 October 2009, ING announced its Restructuring Plan, pursuant to which it is required to divest by the end of 2013 all of its insurance business, including the investment management business, as well as ING Direct US, which operates ING Bank's direct banking business in the United States, and certain portions of ING Bank's retail banking business in The Netherlands. The EC's approval of the Restructuring Plan was issued on 18 November 2009. On 28 January 2010 ING lodged an appeal with the General Court of the European Union against specific elements of the EC's decision regarding

the Restructuring Plan. Notwithstanding this appeal, ING is committed to executing the Restructuring Plan as announced on 26 October 2009. In addition, in order to obtain approval of the Restructuring Plan, ING committed to make a series of additional payments to the Dutch State, corresponding to adjustments to the net fees payable under the Illiquid Assets Back-Up Facility. These payments significantly increased the cost of the Illiquid Assets Back-Up Facility to ING and have resulted in a one-time, pre-tax charge of EUR 1.3 billion recorded in the fourth quarter of 2009 which has in turn adversely affected ING's financial condition.

Although ING believes in the merit of its appeal lodged with the General Court of the European Union, there can be no assurance as to its success or as to any consequences resulting from its rejection.

In connection with the Restructuring Plan, ING has also agreed not to be a price leader in certain EU markets with respect to certain retail, private and direct banking products and to refrain from acquisitions of financial institutions and of businesses that would delay its repurchase of the Core Tier-1 Securities not purchased with the proceeds of its rights issue announced in October 2009. Those limitations may last until 18 November 2012 and could adversely affect ING Bank's ability to maintain or grow market share in key markets as well as its financial condition.

ING has announced that it will consider making its required divestments by means of initial public offerings, sales, spin-offs, combinations of the foregoing or other means. There can be no assurance that ING will be able to implement the Restructuring Plan successfully or complete the announced divestments on favourable terms or at all, particularly in light of both the plan's 2013 deadline and expected challenging market conditions in which other financial institutions may place similar assets for sale during the same time period and may seek to dispose of assets in the same manner. Any failure to successfully implement the Restructuring Plan may result in EC enforcement actions and may have a material adverse impact on the assets, profitability, capital adequacy and business operations of ING Bank. Moreover, in connection with the implementation of the Restructuring Plan, including any proposed divestments, ING or potential buyers may need to obtain various approvals, including of shareholders, works councils and regulatory and competition authorities, and ING and potential buyers may face difficulties in obtaining these approvals in a timely manner or at all. In addition, the implementation of the Restructuring Plan may strain relations with ING Bank's employees, and specific proposals in connection with the implementation may be opposed by labour unions or works councils. Furthermore, following the announcement of the Restructuring Plan, several of ING's subsidiaries, including ING Bank N.V., have been downgraded or put on credit watch by rating agencies.

Other factors that may impede ING's ability to implement the Restructuring Plan successfully include an inability of prospective purchasers to obtain funding due to deterioration of credit markets, insufficient access to equity capital markets, a general unwillingness of prospective purchasers to commit capital in the current market environment, antitrust concerns, any adverse changes in market interest rates or other borrowing costs and any declines in the value of the assets to be divested. It may even be difficult to divest all or part of ING's insurance or investment management business through one or more initial public offerings. There can also be no assurance that ING could obtain favourable pricing for a sale of all or part of its insurance or investment management business in the public markets or succeed in turning the relevant subsidiaries into viable standalone businesses. A divestment may also release less regulatory capital than ING would otherwise expect. Any failure to complete the divestments on favourable

terms, whether by sale, through an initial public offering, a spin-off or otherwise, could have a material adverse impact on ING Bank's assets, profitability, capital adequacy and business operations. If ING is unable to complete the announced divestments in a timely manner, it would be required to find alternative ways to reduce its leverage, and it could be subject to enforcement actions or proceedings by the EC. In particular, if ING does not succeed in completing divestitures contemplated by the Restructuring Plan within the timelines set out therein, the EC may request the Dutch State to appoint a divestiture trustee with a mandate to complete the relevant divestiture with no minimum price.

In addition, it is possible that a third party will challenge the EC decision to approve the Restructuring Plan in the European Courts. ING does not believe that any such challenge would be likely to succeed, but if it were to succeed the EC would need to reconsider its decision which may have an adverse impact on ING Bank's financial condition.

The implementation of the divestments announced in connection with ING's Restructuring Plan, including the separation of its insurance and the investment management operations from its banking operations, will also give rise to additional costs related to the legal and financial assessment of potential transactions. The implementation may also result in increased operating and administrative costs. The process of completing the steps contemplated by the Restructuring Plan may be disruptive to ING Bank's business and the businesses to be sold and may cause an interruption or reduction of its business and the businesses to be sold as a result of, among other factors, the loss of key employees or customers and the diversion of management's attention from ING Bank's day-to-day business as a result of the divestment process as well as any disruptions or difficulties that arise during the course of the divestment process. ING may face other difficulties in implementing the Restructuring Plan and completing the planned divestments. For instance, the divestments, individually or in the aggregate, may trigger provisions in various contractual obligations, including debt instruments, which could require ING to modify, restructure or refinance the related obligations. ING may not be able to effect any such restructuring or refinancing on similar terms as the current contractual obligations or at all. In addition, the announced divestments could be the subject of challenges or litigation, and a court could delay any of the divestment transactions or prohibit them from occurring on their proposed terms, or from occurring at all, which could adversely affect ING's ability to use the funds of the divestments to repurchase the Core Tier-1 Securities, reduce or eliminate its double leverage and strengthen its capital ratios as anticipated and eliminate the constraints on competition imposed by the EC.

***The limitations agreed with the EC on ING's ability to compete and to make acquisitions or call certain debt instruments could materially impact ING Bank***

As part of ING's Restructuring Plan, it has undertaken with the EC to accept certain limitations on its ability to compete in certain retail, private and direct banking markets in the EU and on its ability to acquire financial institutions and businesses that would delay its repurchase of the Core Tier-1 Securities held by the Dutch State. These restrictions apply until the earlier of: (1) 18 November 2012, and (2) the date upon which ING repurchases all remaining Core Tier-1 Securities held by the Dutch State. ING has also agreed to limitations on its ability to call Tier-2 capital and Tier-1 hybrid debt instruments. If the EC does not approve the calling of Tier-2 capital and Tier-1 hybrid debt instruments in the future, this may have adverse consequences for ING, result in additional payments on these instruments and limit ING's ability to seek refinancing on more favourable terms. The limitations described above will impose significant



restrictions on ING Bank's business operations and on its ability to take advantage of market conditions and growth opportunities. Such restrictions could adversely affect ING Bank's ability to maintain or grow market share in key markets, as well as its financial condition.

***Upon the implementation of the Restructuring Plan, ING will be less diversified and ING Bank may experience competitive and other disadvantages***

Following completion of the planned divestments under the Restructuring Plan, ING expects to become a significantly smaller, regional financial institution focused on retail, direct and commercial banking in the Benelux region and certain other parts of Europe, as well as selected markets outside Europe. Although ING will remain focused on banking operations, it may become a smaller bank than that represented by the current banking operations of ING Bank. In the highly competitive Benelux market and the other markets in which ING Bank operates, its competitors may be larger, more diversified and better capitalised and have greater geographical reach than ING Bank, which could have a material adverse effect on ING Bank's ability to compete, as well as on its financial performance. The divested businesses may also compete with the retained businesses, on their own or as part of the purchasers' enlarged businesses. In addition, the restrictions on ING's ability to be a price leader and make acquisitions and on its compensation policies could further hinder ING Bank's capacity to compete with competitors not burdened with such restrictions, which could have a material adverse effect on its financial condition. There can be no assurance that the implementation of the Restructuring Plan will not have a material adverse effect on the market share, business and growth opportunities and financial condition for ING Bank's remaining core banking businesses.

***ING's Back to Basics Programme and its Restructuring Plan may not yield intended reductions in costs, risk and leverage***

In April 2009, ING announced its Back to Basics programme to reduce its costs, risk and leverage. In addition to restructuring the ING banking and insurance businesses so that they are operated separately under the ING umbrella, the Back to Basics programme included cost-reduction measures, as well as plans for divestments. On 26 October 2009, ING announced that it had reached an agreement with the EC on its Restructuring Plan, pursuant to which it announced further divestments. Projected cost savings and impact on ING Bank's risk profile and capital associated with these initiatives are subject to a variety of risks, including:

- contemplated costs to effect these initiatives may exceed estimates;
- divestments planned in connection with the Restructuring Plan may not yield the level of net proceeds expected;
- initiatives ING is contemplating may require consultation with various regulators as well as employees and labour representatives, and such consultations may influence the timing, costs and extent of expected savings;
- the loss of skilled employees in connection with the initiatives; and
- projected savings may fall short of targets.

While ING has begun and expects to continue to implement these strategies, there can be no assurance that ING will be able to do so successfully or that ING Bank or ING generally will

realise the projected benefits of these and other restructuring and cost saving initiatives. If ING is unable to realise these anticipated cost reductions, ING Bank's business may be adversely affected. Moreover, continued implementation of restructuring and cost saving initiatives may have a material adverse effect on ING Bank's business and financial condition.

***Because ING Bank operates in highly competitive markets, including its home market, it may not be able to increase or maintain its market share, which may have an adverse effect on its financial performance***

There is substantial competition in The Netherlands and the other countries in which ING Bank does business for the types of commercial banking, investment banking, insurance and other products and services ING Bank provides. Customer loyalty and retention can be influenced by a number of factors, including relative service levels, the prices and attributes of products and services, and actions taken by competitors. If ING Bank is not able to match or compete with the products and services offered by its competitors, it could adversely impact its ability to maintain or further increase its market share, which would adversely affect ING Bank's financial condition. Such competition is most pronounced in ING Bank's more mature markets of The Netherlands, Belgium, other parts of Western Europe, the United States, Canada and Australia. In recent years, however, competition in emerging markets, such as Latin America, Asia and Central and Eastern Europe, has also increased as large banking industry participants from more developed countries have sought to establish themselves in markets which are perceived to offer higher growth potential, and as local institutions have become more sophisticated and competitive and have sought alliances, mergers or strategic relationships with ING Bank's competitors. The Netherlands and the United States are ING Bank's largest markets. ING Bank's main competitors in the banking sector in The Netherlands are ABN AMRO Bank/Fortis and Rabobank. Increasing competition in these or any of ING Bank's other markets may significantly impact ING Bank's financial performance if ING Bank is unable to match the products and services offered by its competitors. Over time, certain sectors of the financial services industry have become more concentrated, as institutions involved in a broad range of financial services have been acquired by or merged into other firms or have declared bankruptcy. In 2008 and 2009, this trend accelerated considerably, as several major financial institutions consolidated, were forced to merge or received substantial government assistance, and this trend may continue in light of the EC's scrutiny of state aid transactions. These developments could result in ING Bank's competitors gaining greater access to capital and liquidity, expanding their ranges of products and services, or gaining geographic diversity. ING Bank may experience pricing pressures as a result of these factors in the event that some of its competitors seek to increase market share by reducing prices. In addition, under the Restructuring Plan ING has agreed to certain restrictions imposed by the EC, including with respect to its price leadership in EU banking markets and its ability to make acquisitions of financial institutions and other businesses.

***ING's agreements with the Dutch State impose certain restrictions regarding the compensation of certain senior management positions***

For so long as the Dutch State holds at least 25% of the Core Tier-1 Securities issued by ING Group N.V. on 12 November 2008, for so long as the Illiquid Assets Back-Up Facility is in place, or for so long as any of the government guaranteed senior unsecured bonds issued by ING Bank N.V. under the Credit Guarantee Scheme of The Netherlands (the "Government Guaranteed Bonds") are outstanding, ING Bank N.V. is required to institute certain restrictions on the

compensation of the members of its Management Board and senior management, including incentives or performance-based compensation. These restrictions could hinder or prevent ING Bank from attracting or retaining the most qualified management with the talent and experience to manage its business effectively. In connection with these transactions, the Dutch State was granted the right to nominate two candidates for appointment to the Supervisory Board of ING Group N.V. The Dutch State's nominees have veto rights over certain material transactions. ING's agreements with the Dutch State have also led to certain restrictions imposed by the EC as part of the Restructuring Plan, including with respect to ING's price leadership in EU banking markets and its ability to make acquisitions of financial institutions and other businesses.

***Because ING Bank does business with many counterparties, the inability of these counterparties to meet their financial obligations could have a material adverse effect on ING Bank's financial condition***

Third-parties that owe ING Bank money, securities or other assets may not pay or perform under their obligations. These parties include issuers whose securities ING Bank holds, borrowers under loans originated, customers, trading counterparties, counterparties under swaps, credit default and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. Defaults by one or more of these parties on their obligations to ING Bank due to, among other things, bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure, or even rumours about potential defaults by one or more of these parties or regarding the financial services industry generally, could lead to losses for ING Bank, and defaults by other institutions. In light of the significant constraints on liquidity and high cost of funds in the interbank lending market, which arose in 2008 and early 2009, particularly following the collapse of Lehman Brothers in September 2008, and given the high level of interdependence between financial institutions, ING Bank is and will continue to be subject to the risk of deterioration of the commercial and financial soundness, or perceived soundness, of other financial services institutions. This is particularly relevant to ING Bank's franchise as an important and large counterparty in equity, fixed-income and foreign exchange markets, including related derivatives, which exposes it to concentration risk.

ING Bank routinely executes a high volume of transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, insurance companies and other institutional clients, resulting in large daily settlement amounts and significant credit exposure. As a result, ING Bank faces concentration risk with respect to specific counterparties and customers. ING Bank is exposed to increased counterparty risk as a result of recent financial institution failures and weakness and will continue to be exposed to the risk of loss if counterparty financial institutions fail or are otherwise unable to meet their obligations. A default by, or even concerns about the creditworthiness of, one or more financial services institutions could therefore lead to further significant systemic liquidity problems, or losses or defaults by other financial institutions.

With respect to secured transactions, ING Bank's credit risk may be exacerbated when the collateral held by it cannot be realised, or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to it. ING Bank may also have exposure to a number of financial institutions in the form of unsecured debt instruments, derivative transactions and equity investments. For example, ING Bank holds certain hybrid regulatory capital instruments issued by financial institutions which permit the issuer to defer coupon payments on the occurrence of certain events or at their option. The EC has indicated that, in

certain circumstances, it may require these financial institutions to defer payment. If this were to happen, ING Bank expects that such instruments may experience ratings downgrades and/or a drop in value and ING Bank may need to treat them as impaired, which could result in significant losses. There is no assurance that losses on, or impairments to the carrying value of, these assets would not materially and adversely affect ING Bank's business or financial condition.

In addition, ING Bank is subject to the risk that its rights against third parties may not be enforceable in all circumstances. The deterioration or perceived deterioration in the credit quality of third parties whose securities or obligations ING Bank holds could result in losses and/or adversely affect ING Bank's ability to rehypothecate or otherwise use those securities or obligations for liquidity purposes. A significant downgrade in the credit ratings of ING Bank's counterparties could also have a negative impact on ING Bank's income and risk weighting, leading to increased capital requirements. While in many cases ING Bank is permitted to require additional collateral from counterparties that experience financial difficulty, disputes may arise as to the amount of collateral ING Bank is entitled to receive and the value of pledged assets.

ING Bank's credit risk may also be exacerbated when the collateral it holds cannot be realised or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure that is due to ING Bank, which is most likely to occur during periods of illiquidity and depressed asset valuations, such as those recently experienced. The termination of contracts and the foreclosure on collateral may subject ING Bank to claims for the improper exercise of its rights. Bankruptcies, downgrades and disputes with counterparties as to the valuation of collateral tend to increase in times of market stress and illiquidity.

Any of these developments or losses could materially and adversely affect ING Bank's business, financial condition and/or prospects.

***Current market conditions have increased the risk of loans being impaired. ING Bank is exposed to declining property values on the collateral supporting residential and commercial real estate lending***

ING Bank is exposed to the risk that its borrowers may not repay their loans according to their contractual terms and that the collateral securing the payment of these loans may be insufficient. ING Bank may continue to see adverse changes in the credit quality of its borrowers and counterparties, for example as a result of their inability to refinance their indebtedness, with increasing delinquencies, defaults and insolvencies across a range of sectors. This trend has led and may lead to further impairment charges on loans and other assets, higher costs and additions to loan loss provisions. The volume of impaired loans may continue if unfavourable economic conditions persist.

Furthermore, a significant increase in the size of ING Bank's provision for loan losses could have a material adverse effect on its financial condition. Due to worsening economic conditions in the past two years, ING Bank has experienced an increase of impaired loans.

The fall of commercial and residential real estate prices and lack of market liquidity during the past two years has had an adverse effect on the value of the collateral ING Bank holds. Economic and other factors could lead to further contraction in the residential mortgage and commercial lending market and to further decreases in residential and commercial property prices which could generate substantial increases in impairment losses.

### ***Interest rate volatility may adversely affect ING Bank's financial condition***

Changes in prevailing interest rates may negatively affect ING Bank's business including the level of net interest revenue it earns and its levels of deposits and demand for loans. In a period of changing interest rates, interest expense may increase at different rates than the interest earned on assets. Accordingly, changes in interest rates could decrease net interest revenue. Changes in the interest rates may negatively affect the value of ING Bank's assets and its ability to realise gains or avoid losses from the sale of those assets, all of which also ultimately affect earnings. In addition, an increase in interest rates may decrease the demand for loans.

### ***ING Bank may incur losses due to failures of banks falling under the scope of state compensation schemes***

In The Netherlands and other jurisdictions deposit guarantee schemes and similar funds ("Compensation Schemes") have been implemented from which compensation may become payable to customers of financial services firms in the event the financial service firm is unable to pay, or unlikely to pay, claims against it. In many jurisdictions in which ING Bank operates, these Compensation Schemes are funded, directly or indirectly, by financial services firms which operate and/or are licensed in the relevant jurisdiction. As a result of the increased number of bank failures, in particular since the fall of 2008, ING Bank expects that levies in the industry will continue to rise as a result of the Compensation Schemes. In particular, ING Bank is a participant in the Dutch Deposit Guarantee Scheme, which guarantees an amount of EUR 100,000 per person per bank (regardless of the number of accounts held). The costs involved with making compensation payments under the Dutch Deposit Guarantee Scheme are allocated among the participating banks by the Dutch Central Bank, De Nederlandsche Bank N.V. (the "Dutch Central Bank"), based on an allocation key related to their market shares with respect to the deposits protected by the Dutch Deposit Guarantee Schemes. Given ING Bank's size, it may incur significant compensation payments to be made under the Dutch Deposit Guarantee Scheme, which it may be unable to recover from the bankrupt estate. The ultimate costs to the industry of payments which may become due under the Compensation Schemes remains uncertain, although they may be significant and these and the associated costs to ING Bank may have a material adverse effect on its financial condition.

### ***ING Bank may be unable to manage its risks successfully through derivatives***

ING Bank employs various economic hedging strategies with the objective of mitigating the market risks that are inherent in its business and operations. These risks include currency fluctuations, changes in the fair value of its investments, the impact of interest rate, equity markets and credit spread changes and changes in mortality and longevity. ING Bank seeks to control these risks by, among other things, entering into a number of derivative instruments, such as swaps, options, futures and forward contracts including from time to time macro hedges for parts of its business.

Developing an effective strategy for dealing with these risks is complex, and no strategy can completely insulate ING Bank from risks associated with those fluctuations. ING Bank's hedging strategies also rely on assumptions and projections regarding its assets, general market factors and the credit worthiness of its counterparties that may prove to be incorrect or prove to be inadequate. Accordingly, ING Bank's hedging activities may not have the desired beneficial impact on its financial condition. Poorly designed strategies or improperly executed transactions could actually increase ING Bank's risks and losses. If ING Bank terminates a hedging

arrangement, it may also be required to pay additional costs, such as transaction fees or breakage costs. There have been periods in the past, and it is likely that there will be periods in the future, during which ING Bank has incurred or may incur losses on transactions, perhaps significant, after taking into account its hedging strategies. Further, the nature and timing of ING Bank's hedging transactions could actually increase its risk and losses. In addition, hedging strategies involve transaction costs and other costs. ING Bank's hedging strategies and the derivatives that it uses and may use may not adequately mitigate or offset the risk of interest rate volatility, and ING Bank's hedging transactions may result in losses.

***Because ING Bank 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 financial performance***

ING Bank uses assumptions in order to model client behaviour for the risk calculations in its banking books. Assumptions are used to determine the price sensitivity of savings and current accounts and to estimate the embedded optional risk in the mortgage and investment portfolios. The realisation or use of different assumptions to determine the client behaviour could have a material adverse effect on the calculated risk figures and ultimately future financial performance.

***ING Bank's risk management policies and guidelines may prove inadequate for the risks it faces***

The methods ING Bank uses to manage, estimate and measure risk are partly based on historic market behaviour. The methods may, therefore, prove to be inadequate for predicting future risk exposure, which may be significantly greater than what is suggested by historic experience. For instance, these methods did not predict the losses seen in the stressed conditions in recent periods, and may also not adequately allow prediction of circumstances arising due to the government interventions and stimulus packages, which increase the difficulty of evaluating risks. Other methods for risk management are based on evaluation of information regarding markets, customers or other information that is publicly known or otherwise available to ING Bank. Such information may not always be correct, updated or correctly evaluated.

***ING Bank may incur further liabilities in respect of its defined benefit retirement plans if the value of plan assets is not sufficient to cover potential obligations***

ING operates various defined benefit retirement plans covering a significant number of its employees. The liability recognised in ING Bank's consolidated balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligations at the balance sheet date, less the fair value of each plan's assets, together with adjustments for unrecognised actuarial gains and losses and unrecognised past service costs. ING determines its defined benefit plan obligations based on internal and external actuarial models and calculations using the projected unit credit method. Inherent in these actuarial models are assumptions including discount rates, rates of increase in future salary and benefit levels, mortality rates, trend rates in health care costs, consumer price index, and the expected return on plan assets. These assumptions are based on available market data and the historical performance of plan assets, and are updated annually. Nevertheless, the actuarial assumptions may differ significantly from actual results due to changes in market conditions, economic and mortality trends and other assumptions. Any changes in these assumptions could have a significant impact on ING Bank's present and future liabilities to and costs associated with its defined benefit retirement plans.

***ING Bank is subject to a variety of regulatory risks as a result of its operations in less developed markets***

In the less developed markets in which ING Bank operates, judiciary and dispute resolution systems may be less developed. As a result, in case of a breach of contract ING Bank may have difficulties in making and enforcing claims against contractual counterparties and, if claims are made against ING Bank, it might encounter difficulties in mounting a defence against such allegations. If ING Bank becomes party to legal proceedings in a market with an insufficiently developed judiciary system, it could have an adverse effect on ING Bank's operations and financial performance.

In addition, as a result of ING Bank's operations in less developed markets, it is subject to risks of possible nationalisation, expropriation, price controls, exchange controls and other restrictive government actions, as well as the outbreak of hostilities, in these markets. In addition, the current economic environment in certain of the less developed countries in which ING Bank operates may increase the likelihood for regulatory initiatives to protect homeowners from foreclosures. Any such regulatory initiative could have an adverse impact on ING Bank's ability to protect its economic interests in the event of defaults on residential mortgages.

***Because ING Bank is comprised of financial services companies and continually developing new financial products, it might be faced with claims that could have an adverse effect on its operations and financial performance if clients' expectations are not met***

When new financial products are brought to the market, communication and marketing aims to present a balanced view of the product (however there is a focus on potential advantages for the customers). Whilst ING Bank engages in a due diligence process when it develops products, if the products do not generate the expected profit, or result in a loss, or otherwise do not meet expectations, customers may file claims against ING Bank. Such claims could have an adverse effect on ING Bank's operations and financial performance.

***Ratings are important to ING Bank's business for a number of reasons. Among these are the issuance of debt, the sale of certain products and the risk weighting of bank assets. Downgrades could have an adverse impact on ING Bank's operations and financial condition***

ING Bank has credit ratings from Standard & Poor's Ratings Services ("Standard & Poor's"), a division of the McGraw-Hill Companies, Inc., Moody's Investor Service Limited ("Moody's") and Fitch Ratings Ltd. ("Fitch"). Each of the rating agencies reviews its ratings and rating methodologies on a recurring basis and may decide on a downgrade at any time. In the event of a downgrade the cost of issuing debt will increase, having an adverse effect on net results. Certain institutional investors may also be obliged to withdraw their deposits from ING Bank following a downgrade, which could have an adverse effect on ING Bank's liquidity. Following the announcement of the Restructuring Plan, several of ING's subsidiaries, including ING Bank N.V., have been downgraded or put on credit watch by rating agencies.

In particular, ING Bank's assets are risk weighted. Downgrades of these assets could result in a higher risk weighting which may result in higher capital requirements. This may impact net earnings and the return on capital, and may have an adverse impact on ING Bank's competitive position.

### ***ING Bank's businesses may be negatively affected by a sustained increase in inflation***

A sustained increase in the inflation rate in ING Bank's principal markets would have multiple impacts on ING Bank and may negatively affect ING Bank's business, solvency position and financial performance. For example, a sustained increase in the inflation rate may result in an increase in market interest rates which may (1) decrease the value of certain fixed income securities it holds in its investment portfolios resulting in reduced levels of unrealised capital gains available to it which could negatively impact its financial condition and (2) require ING Bank, as an issuer of securities, to pay higher interest rates on debt securities it issues in the financial markets from time to time to finance its operations which would increase ING Bank's interest expenses and adversely affect ING Bank's financial condition. A significant and sustained increase in inflation has historically also been associated with decreased prices for equity securities and sluggish performance of equity markets generally. A sustained decline in equity markets may (1) result in impairment charges to equity securities that it holds in its investment portfolios and reduced levels of unrealised capital gains available to it which would adversely affect its financial performance and negatively impact its solvency position and (2) negatively impact performance, future sales and surrenders of its unit-linked products where underlying investments are often allocated to equity funds.

### ***Operational risks are inherent in ING Bank's businesses***

ING Bank's businesses depend on the ability to process a large number of transactions efficiently and accurately. Losses can result from inadequate personnel, IT failures, inadequate or failed internal control processes and systems, regulatory breaches, human errors, employee misconduct including fraud, or from external events that interrupt normal business operations. ING Bank depends on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. The equipment and software used in ING Bank's computer systems and networks may be at or near the end of their useful lives or may not be capable of processing, storing or transmitting information as expected. Certain of ING Bank's computer systems and networks may also have insufficient recovery capabilities in the event of a malfunction or loss of data. In addition, such systems and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other external attacks or internal breaches that could have a security impact and jeopardize ING Bank's confidential information or that of its clients or its counterparts. These events can potentially result in financial loss, harm to ING Bank's reputation and hinder its operational effectiveness. ING Bank also faces the risk that the design of its controls and procedures prove to be inadequate or are circumvented. ING Bank has suffered losses from operational risk in the past and there can be no assurance that it will not suffer material losses from operational risk in the future. Furthermore, while recent widespread outbreaks of communicable diseases, such as the outbreak of the H1N1 influenza virus, also known as "swine flu," experienced world-wide in 2009, have not adversely affected ING Bank thus far, a worsening of this outbreak, or the occurrence of another outbreak of a different communicable disease, may impact the health of ING Bank's employees, increasing absenteeism, or may cause a significant increase in the utilisation of health benefits offered to its employees, either or both of which could adversely impact ING Bank's businesses.



***ING Bank's businesses may be negatively affected by adverse publicity, regulatory actions or litigation with respect to such businesses, other well-known companies or the financial services industry in general***

Adverse publicity and damage to ING Bank's reputation arising from its failure or perceived failure to comply with legal and regulatory requirements, financial reporting irregularities involving other large and well known companies, increasing regulatory and law enforcement scrutiny of "know your customer" anti-money laundering, prohibited transactions with countries subject to sanctions, and bribery or other anti-corruption measures and anti-terrorist-financing procedures and their effectiveness, regulatory investigations of the mutual fund and banking industries, and litigation that arises from the failure or perceived failure by ING Bank to comply with legal, regulatory and compliance requirements, could result in adverse publicity and reputation harm, lead to increased regulatory supervision, affect ING Bank's ability to attract and retain customers, maintain access to the capital markets, result in cease and desist orders, suits, enforcement actions, fines and civil and criminal penalties, other disciplinary action or have other material adverse effects on ING Bank in ways that are not predictable.

***Limitations and risks relating to legal proceedings against the Issuer and relevant jurisdictions in which the Issuer could be sued and enforced***

Any suit, action or proceedings arising out of or in connection with the Bonds may be brought against the Issuer in the courts of Thailand and the Issuer agrees to the non-exclusive jurisdiction of such courts to the extent permitted under the applicable law. Without prejudice to the foregoing, any such suit, action or proceedings referred to above may be brought against the Issuer in any other court of competent jurisdiction, to the fullest extent permitted by the applicable laws of the relevant jurisdictions.

If the Issuer is in breach or default under the Bonds and legal proceedings are brought against the Issuer in any court with an insufficiently developed judiciary system, the holders of the Bonds may have difficulties in making and enforcing claims against the Issuer.

Thailand and The Netherlands do not currently have a treaty or convention providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Accordingly, a judgment rendered by a court in Thailand will not be automatically recognized and enforced by the Dutch courts. However, if the party in whose favor a final and definitive judgment against the Issuer for the payment of money has been rendered by a competent court in Thailand which is enforceable in Thailand brings a new suit against the Issuer in a competent Dutch court, such party may submit to such court in The Netherlands the final judgment which has been rendered in Thailand. Based on case law, the Dutch court may be expected to recognize, give res judicata to and render a judgment in accordance with the foreign judgment insofar as it finds that the jurisdiction of the foreign court has been based on grounds which are internationally acceptable and that proper legal procedures have been observed and except to the extent that the foreign judgment contravenes Dutch public policy or an existing Dutch judgment.

## **B. RISKS RELATING TO BONDS**

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

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

Each prospective investor in Bonds should refer to the section headed "Risk Factors" in the Prospectus for a description of those factors which could affect the financial performance of the Issuer and thereby affect the Issuer's ability to fulfill their obligations in respect of Bonds.

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

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

### ***Limited liquidity of the Bonds***

There can be no assurance that a secondary market for the Bonds will develop, or, if a secondary market does develop, that it will provide the holders of the Bonds with liquidity or that it will continue for the life of the Bonds. A decrease in the liquidity of the Bonds may cause, in turn, an increase in the volatility associated with the price of the Bonds. Any investor in the Bonds must be prepared to hold such Bonds for an indefinite period of time or until redemption of the Bonds. If any person begins making a market for the Bonds, 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 the Bonds.

### ***Counterparty risk exposure***

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

### ***Credit ratings may not reflect all risks***

The Issuer has the Bond rating from Fitch Ratings (Thailand) Limited, details of which are contained in this Prospectus.

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

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

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

### ***Redemption Risk***

Upon the occurrence of certain specific tax events the Bonds may be redeemed at their outstanding principal amount (and interest accrued thereon) subject as Conditions 10.4 of the Terms and Conditions – see Appendix A, "Terms and Conditions of the Bonds".

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

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

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

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

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

### ***Tax risk***

This Prospectus includes general summaries of certain tax provisions in connection with the Bonds (see Clause VI. "Taxation" in this Prospectus). Such summary may not apply to a particular holder of the Bonds and does not cover all possible tax considerations. In addition, the tax treatment may change before the Maturity Date of the Bonds. Any potential investor should consult his own independent tax adviser for more information about the tax consequences of acquiring, owning and disposing of the Bonds in his particular circumstances.

### ***Insolvency risk***

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

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

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

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

### ***No gross-up***

All payments made by the 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. Holders of the Bonds will not be entitled to receive grossed-up amounts to compensate for any such tax, duty, withholding or other payment and no event of default shall occur as a result of any such withholding or deduction except as specified in Condition 11.2 of the Terms and Conditions – see Appendix A, "Terms and Conditions of the Bonds". In addition, the Issuer shall have the right to redeem the Bonds if, on the occasion of the next payment due in respect of the Bonds, the Issuer would be required to withhold or account for tax in respect of the Bonds, subject to and in accordance with Condition 10.4 of the Terms and Conditions - see Appendix A, "Terms and Conditions of the Bonds".

### ***Interest rate risks***

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

### ***Legal investment considerations may restrict certain investments***

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

### ***Modification***

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

### ***Changes in law***

The Terms and Conditions of the Bonds and the rating which is assigned to them are based on the law of Thailand in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Thai law or administrative practice after the date of this Prospectus.

## **IV. MARKETS**

### **A. IDENTITY OF EXCHANGES AND REGULATED MARKETS**

The Bonds will be traded over-the-counter and will not be listed for trading on any exchange. On or before the Issue Date, the Issuer intends to register and list the Bonds on TBMA, an authorized source of Thai bond market data. TBMA, as "Bond Pricing Agency", also provides model yield and pricing data for mark-to-market purpose of investors.

### **B. ENTITY PROVIDING LIQUIDITY**

Neither the Issuer nor any other entity has made or will make a commitment to act as intermediary for the Bonds in secondary market trading or as a market maker providing liquidity through bid and offer rates.

## V. INFORMATION ABOUT THE PUBLIC OFFERING

### A. OFFER STATISTICS

Total issue size of Bonds offered	:	Up to THB 10,000,000,000 in total, and the issue size of each series of the Bonds offered is as follow: The Series 1 Bonds: up to THB 6,500,000,000 The Series 2 Bonds: up to THB 4,500,000,000
Total number of Bonds offered	:	Up to 10,000,000 units in total, and the number of each series of the Bonds offered is as follow: The Series 1 Bonds: up to 6,500,000 units The Series 2 Bonds: up to 4,500,000 units
Offer Price	:	THB 1,000 per unit
Method of determining the interest rates	:	Bookbuilding exercise

### B. PRICING

The interest rate in respect of each series of the Bonds has been determined through a book-building process whereby the Institutional Investors' demands for each series of the Bonds was taken into consideration for determining such interest rate, with a view to achieving a successful Bond placement. The Government bond yield with the same tenor as that of each series of the Bonds was used as a pricing benchmark. The interest rate in respect of each series of the Bonds is a combination of the Issuer's credit spread and the relevant Government bond yield benchmark as mutually agreed by all the Lead Arrangers and the Issuer.

### C. METHOD AND EXPECTED TIMETABLE

#### 1. Offering Arrangement

The offering of the Bonds is made through the Lead Arrangers in accordance with the Notification of the Capital Market Supervisory Board No. TorJor. 14/2552 Re: The Offer for Sale of Foreign Bonds or Foreign Debentures in Thailand dated 13 March 2009, as amended.

#### 2. Subscription Period

The subscription period of the Bonds is 24 to 29 March 2011 (the "**Subscription Period**"), during business hours/days of each of the Head Office and each branch of the Lead Arrangers which are arranged by such Lead Arrangers as places for Bond



subscription (collectively, the "**Branches**"). During the Subscription Period, subscribers may subscribe for the Bonds from the Lead Arrangers in accordance with procedures, details and conditions specified below in this Clause V. C. The Bonds are offered to "**Institutional Investors**" and "**Retail Investors**" (each, as defined below).

The "**Institutional Investors**" referred to above means the following types of investors:

- a. Commercial banks;
- b. Finance companies;
- c. Securities companies, which manage their own property, private funds, or investment projects established under the Act on the Undertaking of Finance Business, Securities Business and Credit Foncier Business;
- d. Credit foncier companies;
- e. Insurance companies;
- f. Government agencies and state enterprises under the budgetary procedure law or other juristic persons established under specific laws;
- g. Bank of Thailand;
- h. International financial institutions;
- i. Financial Institutions Development Fund;
- j. Government Pension Fund;
- k. Provident funds;
- l. Mutual funds; and
- m. Foreign investors with same characteristics to investors under a. to l. mutatis mutandis.

The "**Retail Investors**" referred to above means any type of investors who are not qualified as the Institutional Investors.

### 3. Allotment Method

- a. The Issuer intends to offer for sale the total amount of up to THB 10,000,000,000 of all the Bonds, divided into: (i) the Series 1 Bonds in the amount of up to THB 6,500,000,000; and (ii) the Series 2 Bonds in the amount of up to THB 4,500,000,000. All the Bonds will be offered to: (a) the Institutional Investors in an approximate amount of THB 5,500,000,000 for the Series 1 Bonds, and, an approximate amount of THB 1,500,000,000 for the Series 2 Bonds (collectively, the "**Institutional Investors' Portion**"); and (b) the Retail Investors in an approximate amount of THB 3,000,000,000 for the Series 1 Bonds, and, an approximate amount of THB 1,000,000,000 for the

Series 2 Bonds (collectively, the "**Retail Investors' Portion**"), provided that the total amount of the Institutional Investors' Portion and the Retail Investors' Portion will be up to THB 10,000,000,000. However, the Lead Arrangers have the right to change or adjust the amounts of each series of the Bonds offered and the amounts of the Bonds offered under the Institutional Investors' Portion and the Retail Investors' Portion as specified above as they deem appropriate in order to ensure a successful placement and full subscriptions of the Bonds.

- b. In respect of the Bond offering, each of the Lead Arrangers will not allocate the Bonds to: (i) itself, the directors, management, major shareholders, persons with a controlling influence, the parent company and subsidiary(ies) of the Lead Arranger and any related person of the foregoing persons; (ii) mutual funds having the characteristics as prescribed in Sections 6 (3) and 6 (4) of the Notification of the Capital Market Supervisory Board No. Tor Thor. 70/2552 Re: Principles, Conditions and Methods for Selling Securities dated 3 August 2009 (as amended); (iii) the management, major shareholders, persons with a controlling influence and the parent company of the Issuer and any related person of the foregoing persons; and (iv) mutual funds having the characteristics as prescribed in Section 3 (b) of the Notification of the Capital Market Supervisory Board No. Tor Jor. 29/2551 Re: Subscriptions, Sale and Allocation of Newly Issued Securities dated 15 December 2008 (as amended), provided that if there are any Bonds remaining unsubscribed by other investors in the offering, each of the Lead Arrangers may allocate such remaining Bonds to the persons or entities referred to in (i) to (iv) above at its sole discretion.
- c. Allotment of the Bonds:
  - (i) to Institutional Investors at the absolute discretion of the Lead Arrangers, i.e. the Lead Arrangers may allot any amount of the Bonds to any subscribers who are Institutional Investors or may refuse to allocate the Bonds subscribed by any such investors as it deems appropriate; and
  - (ii) to Retail Investors on a "first come first served" basis. For the purpose of selling the Bonds to Retail Investors, each of the Lead Arrangers will allocate certain amounts of Bonds under the Retail Investors' Portion to its Head Office and each of the Branches so that the Retail Investors may subscribe for the Bonds through each Lead Arranger's Head Office or any of such Branches. In this regard, each of the Lead Arrangers may adjust, change or cancel (whether before or during the Subscription Period) the amount of Bonds allocated to its Head Office and each Branch as it deems appropriate. The Bond allocation on a first come first served basis by each of the Lead Arrangers will be considered based on subscription order in respect of each of the Head Office and the Branches against the amount of Bonds allocated to each such place of subscription. Notwithstanding the foregoing, each of the Lead Arrangers has the right to allocate the Bonds to its prime customers as a first priority. However, all such prime customers may not be allocated any Bonds or may be allocated the Bonds in an amount less than that subscribed for.

4. The Lead Arrangers will have the right to close the sale of the Bonds before the closing of the Subscription Period if the Bonds are fully subscribed prior to the closing of the Subscription Period. The Subscription Period will not be extended.
  
5. Methods for Bond Subscription and Settlement
  - a. Each subscriber shall duly, completely and clearly fill in and sign the subscription form and affix the company seal (if any) thereto.
  - b. The subscriber may submit the completed subscription form to any of the Lead Arrangers at its Head Office (as specified in Clause V.D.1) or at any of the Branches during the business hours/days of each such Lead Arranger and each Branch during the Subscription Period.
  - c. In subscribing for the Bonds, (i) a subscriber who is qualified as an Institutional Investor is required to subscribe for a minimum of 100 units of Bonds or THB 100,000 in value and, if more, in a multiple of 10 units of Bonds or THB 10,000 in value; and (ii) a subscriber who is qualified as a Retail Investor is required to subscribe for a minimum of 100 units of Bonds or THB 100,000 in value and, if more, in a multiple of 100 units of Bonds or THB 100,000 in value.
  - d. Subscription payments for the Bonds shall be made by subscribers on the date of subscription in full in a single payment in the form of:
    - (1) cheque, cashier's cheque or bank draft which can be settled at any clearing house in Bangkok Metropolis, and payment shall be made simultaneously with the submission of the subscription form. Such cheque, cashier's cheque or bank draft must be dated no later than: (i) in the case of payment by an Institutional Investor, the Issue Date of the Bonds; and (ii) in the case of payment by a Retail Investor, 28 March 2011 (before the end of the cheque clearing period of each place of subscription), crossed "A/C Payee Only" and made payable to the following accounts:
      - for the Series 1 Bonds: to the "Subscription Account for Series 1 Bonds of ING Bank N.V. No. 1/2554"; and
      - for the Series 2 Bonds: to the "Subscription Account for Series 2 Bonds of ING Bank N.V. No. 1/2554".
    - (2) cash payment or wire transfer or payment through BAHTNET SYSTEM, (i) in the case of payment by an Institutional Investor, by no later than the Issue Date of the Bonds; and (ii) in the case of payment by a Retail Investor, by no later than 29 March 2011, provided that (aa) only the Institutional Investors (and not the Retail Investors) can make the payment via BATHNET SYSTEM; and (bb) the payment by way of wire transfer must be made from and to accounts opened with the same bank.

The payment by wire transfer or via BAHTNET SYSTEM must be transferred to the following accounts:

- for the Series 1 Bonds: to the "Subscription Account for Series 1 Bonds of ING Bank N.V. No. 1/2554"; and
  - for the Series 2 Bonds: to the "Subscription Account for Series 2 Bonds of ING Bank N.V. No. 1/2554".
- e. Subscribers for the Bonds are required to submit the following documents together with their subscription forms and payments:
- (1) For subscribers who are juristic persons incorporated in Thailand
    - a copy of the most recent affidavit issued by the Ministry of Commerce which is not more than 1 year old, certified as a true and correct copy by authorized signatories of such juristic person, with the common seal (if any) of such juristic person affixed thereto; and
    - a certified copy of the citizenship identity card, alien certificate or passport, as the case may be, of the authorized signatory of such juristic person.
  - (2) For subscribers who are juristic persons incorporated in foreign countries
    - copies of the certificate of incorporation, Memorandum of Association, Articles of Association, and the most recent affidavit which are not more than 1 year old, certified as true and correct by the authorized signatory of such juristic person, with the common seal (if any) of such juristic person affixed thereto; and
    - a certified copy of the passport of authorized signatory of such juristic person.
  - (3) For subscribers who are individuals residing in Thailand
    - a certified copy of the citizenship identity card or (if the subscriber does not have an identification card) certified copies of the card issued by the governmental entity and house registration document containing the identification card number of the subscriber) or (if the subscriber is a minor) certified copies of the identification documents of the parent (father/mother or legal guardian) and house registration of the minor.
  - (4) For subscribers who are individuals residing outside of Thailand
    - a certified copy of the alien certificate or passport.
- f. Subscriptions for the Bonds shall be made at each Lead Arranger's Head Office (as specified in Clause V.D.1) and each Branch in accordance with the procedures, rules and conditions as provided by each such Lead Arranger at each place of subscription.

- g. Subscribers who have submitted their subscription forms and made payments for their subscriptions may not cancel their subscriptions or request a refund of their subscription payments. The Lead Arrangers have the right to cancel any subscriptions for the Bonds by any subscriber who fails to comply with the conditions and requirements specified in this Clause V.C.
- h. If the Lead Arrangers are informed by the Issuer that there has occurred any event causing or requiring the Issuers to suspend or cancel the offering of the Bonds or to be unable to issue or deliver the Bonds to subscribers, the subscribers who have subscribed and made payments for the Bonds will be entitled to a refund of their subscription payments as specified in paragraph j. below.
- i. Subscribers will not be entitled to receive any interest or compensation during the period from (and including) the subscription date to the Issue Date of the Bonds.
- j. In respect of: (i) those subscribers who have not been allocated Bonds, whether in whole or in part; or (ii) there has occurred any event causing or requiring the Issuers to suspend or cancel the offering of the Bonds under paragraph 5.h. above, each of the Lead Arrangers shall, within 14 (fourteen) days from the last day of the Subscription Period (the "**14-Day Period**"), refund to such subscribers their subscription payments received by it for any unallotted Bonds or their full subscription payments in case of (ii) above (as the case may be), without any interest and/or compensation, by crossed cheques made payable to the relevant subscribers in the names as specified in their subscription forms and send such cheques by registered post to the relevant subscribers at their addresses specified in the subscription forms. If a subscription payment is not returned to the relevant subscribers within the 14-Day Period, such subscribers shall be entitled to receive from the Lead Arranger(s) who fails to so return, interest on their unreturned subscription payments at the rate of 7.5% (seven point five per cent) per annum calculated from (and including) the expiry date of the 14-Day Period up to (but excluding) the date of actual full payment of such subscription proceeds. In no circumstances shall any subscriber have any right to claim any interest and/or compensation for damages from the Lead Arrangers if a crossed cheque for a refund of any subscription payment has been duly sent to the subscriber by the Lead Arrangers in the manner and within the period of time as mentioned above.

## 6. Distribution of Prospectus and the Bonds

### a. *Obtaining of Prospectus*

Any prospective subscriber may obtain the Prospectuses and final Prospectuses at the Head Office of each Lead Arranger (as specified in Clause V. D. above) and the Branches, during the business hours/days of each such place from 24 to 29 March 2011.

Investors can review or request a copy of the registration statement and prospectus filed with the Office of the SEC from the Information Center of the Office of the Securities and Exchange Commission at 15th Floor, GPF Towers B, 93/1 Wireless Road, Lumpini, Patumwan, Bangkok during the Office of the SEC's business days and hours between 9.00 - 12.00 hours and 13.00 - 16.00 hours or via <http://www.sec.or.th>.

b. *Delivery of Bond Certificates*

If a subscriber to whom the Bonds are allocated has requested in its subscription form that a Bond certificate in respect of the Bonds subscribed be issued under the name of such subscriber, the Issuer will cause the Registrar to issue such Bond certificate in the name of the subscriber and deliver it to such subscriber within 15 (fifteen) business days from the last day of the Subscription Period by registered mail at the address of the subscriber specified in his subscription form.

c. *Credit of Bonds in Scripless System*

If a subscriber to whom the Bonds are allocated has requested in his subscription form that the Bonds be credited to the account maintained with the participants of the Thailand Securities Depository Company Limited ("**TSD**") under the "**Scripless System**", the Issuer will procure that the Registrar credits the allotted Bonds to the account maintained with the participants of TSD as specified in the subscription form within 7 (seven) business days from the last day of the Subscription Period. In such case, the Registrar will not issue a Bond certificate to the subscriber and will record in the register of the Bonds that TSD is holding the Bonds on behalf of the subscriber(s).

## **D. UNDERWRITING ARRANGEMENT**

1. *Name and address of the Lead Arrangers and arrangement for the Bond offering*

The Issuer has appointed each of the Lead Arrangers whose names and addresses are as specified below as a lead arranger of the Bonds. In respect of the arrangement for the offering and sale of the Bonds, each of the Lead Arrangers agrees to manage, arrange and procure subscriptions by the Institutional Investors and the Retail Investors in accordance with and subject to the terms and conditions specified in the Placement Agreement dated on or around 23 March 2011 entered into between the Issuer and the Lead Arrangers.

### **LEAD ARRANGERS:**

**TMB Bank Public Company Limited**  
3000 Phahonyothin Road  
Chomphon, Chatuchak  
Bangkok 10900 Thailand

**Standard Chartered Bank (Thai) Public Company Limited**

90 North Sathorn Road  
Silom, Bangrak  
Bangkok 10500 Thailand

**Krung Thai Bank Public Company Limited**

35 Sukhumvit Road  
Klongtoey Nua, Wattana  
Bangkok 10110 Thailand

Under the Placement Agreement, the Issuer also agrees to pay the Lead Arrangers the arrangement fee and other fees and expenses relating to the Bond offering in accordance with details and subject to the conditions specified in the Placement Agreement.

2. The total amount of all the Bonds offered will be up to THB 10,000,000,000 with no over-allotment option or subsequent increase in such offering size.
3. Each of the Lead Arrangers severally agrees with the Issuer to arrange and procure subscriptions for the Bonds on a "best effort basis", i.e. none of the Lead Arrangers will be obliged to purchase any Bonds remaining unsubscribed in the offering (if any). Each of the Lead Arrangers will be entitled to receive the arrangement fee from the Issuer at a specified fee rate which will be calculated based on the amount of Bonds actually subscribed by investors or by such Lead Arranger itself (if any), according to the Placement Agreement.

The Issuer is a major shareholder of TMB Bank Public Company Limited with a shareholding of 30.12% consisting of a 25.2% direct shareholding and 4.92% holding through Thai NVDR Company Limited. The Issuer obtained these shares following a new capital injection on 28 December 2007 and as a result became the largest shareholder and also a key strategic partner of TMB Bank Public Company Limited. TMB Bank Public Company Limited's Board of Directors consists of three representatives from the Issuer.

Each of Standard Chartered Bank (Thai) Public Company Limited and Krung Thai Bank Public Company Limited has no material relationship with the Issuer.

4. Other than the Lead Arrangers, there is no other party involved in selling or distributing the Bonds.

**E. TARGETED INVESTORS**

The Bonds are offered generally to the Institutional Investors and Retail Investors within Thailand only. There is no specific target investors or selected investors in respect of the Bond offering.

**F. EXPENSES OF THE ISSUE**

Estimate amount of Bond proceeds to be received by the Issuer and expenses incurred in connection with the Bond offering are as set out below:

1. Estimate amount of the Bond proceeds to be received by the Issuer
  - The estimate amount of net proceeds to be received from the offering for sale of all the Bonds will be THB 9,970,312,850.
2. Approximate amount of expenses incurred in connection with the Bond offering:
  - SEC's filing fee THB 1,070,000, representing 0.011% of the total amount of the Bonds offered
  - Third parties' fees\* THB 27,218,660, representing 0.272% of the total amount of the Bonds offered
  - Other expenses\*\* THB 1,398,490, representing 0.014% of the total amount of the Bonds offered
  - \* "Third parties' fees" include the fees payable to relevant third parties, e.g. the Lead Arrangers, the Bondholders' Representative, the Registrar, legal advisor, and credit rating agency.
  - \*\* "Other expenses" include costs and expenses relating to the Bond offering, e.g. costs of printing the Prospectuses, subscription forms and other documents and publication costs, roadshow expenses and application fee for registering the Bonds with TBMA.
3. No party other than the Issuer is responsible for paying fees and expenses in relation to the Bonds and the offering.

## **G. REASONS FOR THE OFFER AND USE OF PROCEEDS**

1. Net proceeds from the sale of the Bonds will be used by the Issuer for its general corporate purposes.
2. If the Bonds are not fully subscribed, the minimum amount of Bonds subscribed must be THB 8,000,000,000. Otherwise, the Issuer may not proceed with the offering and issue of the Bonds.



## VI. TAXATION

This Clause VI contains information on certain tax provisions in connection with the Bonds and is not an advice on taxation. Accordingly, prospective investors should consult their own tax advisors concerning the consequences of their investment in the Bonds. The summary provided below in this Clause VI is based upon applicable law, practice and relevant double tax treaty in force on the date of this Prospectus and is therefore subject to any subsequent changes in law and the interpretation and application thereof, which changes could be made with retroactive effect.

The summary contained in this Clause VI does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to invest in or dispose of the Bonds, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

The tax liability of a holder of the Bonds (a "**Bondholder**") and the applicable tax rates will depend on various factors such as whether or not the Bondholder is an individual or juristic person, or whether it is a juristic person that is not subject to income tax, whether the holder is considered as a resident of Thailand or is considered carrying on business in Thailand, or whether the Bondholder is a resident of a country that has a double taxation agreement with Thailand.

### A. PRINCIPLE TAXATION - THAILAND

#### 1. Income Tax

##### a. Bondholder who is a resident of Thailand

##### (1) Individual

In considering a residency of an individual, Thai tax law disregards the nationality of such individual. The individual Bondholder is deemed to be a tax resident of Thailand if he/she has resided in Thailand for a period or periods aggregating 180 (one hundred and eighty) days or more in the same calendar year (the "**Resident Individual Bondholder**").

##### (i) Interest

Interest received by the Resident Individual Bondholder is subject to 15 percent withholding tax.

##### (ii) Capital Gains

A capital gain, which is the amount in excess of the cost of acquisition, derived from the transfer of the Bonds is subject to 15 percent withholding tax.

A Resident Individual Bondholder, however, has the right to elect to pay tax at the withholding tax rate prescribed in (i) or (ii) above, without having to include such interest or capital gain with his other income for the purpose of calculating personal income tax. If the Resident Individual Bondholder elects to include the interest or capital gain with

his other income for the purpose of calculating personal income tax, he will be entitled to treat the tax so withheld as a credit.

(2) Company or Juristic Partnership

A Bondholder, which is a company or a juristic partnership established pursuant to the laws of Thailand, or established pursuant to a foreign law but doing business in Thailand, a foundation or an association, excluding one which is specified by a ministerial notification to be a public charity organization or institution pursuant to section 47(7) (b) of the Revenue Code, (the "**Resident Corporate Bondholder**") will have the following tax liabilities:

(i) Interest

Interest received by a Resident Corporate Bondholder which is a company or a juristic partnership, which includes a commercial bank, a finance company, a securities company or a credit foncier company, is subject to 1% withholding tax. The Resident Corporate Bondholder must include interest in their revenue for the purpose of calculating corporate income tax and will be entitled to treat the tax so withheld as a credit.

Interest received by the Resident Corporate Bondholder which is a foundation or an association that is not a public charity organization or institution is subject to 10% withholding tax.

(ii) Capital Gains

Capital gains are not subject to withholding tax. The portion in excess of the original investment must be included in the revenue of the Resident Corporate Bondholder for the purpose of calculating corporate income tax.

b. Bondholder who is not a resident of Thailand

(1) Individual

(i) Interest

Except where the terms and conditions of a double taxation agreement entered into between Thailand and the resident country of the Bondholder provide otherwise, interest received by the Bondholder who is not the Resident Individual Bondholder (the "**Non-Resident Individual Bondholder**") from or within Thailand, is subject to 15 percent withholding tax.

(ii) Capital Gains

Except where the terms and conditions of a double taxation agreement entered into between Thailand and the resident country of the Non-Resident Individual Bondholder provide otherwise, a capital gain, which is the amount in excess of the cost of

acquisition of the Bonds, paid from or within Thailand, is subject to 15 percent withholding tax.

(2) Company or Juristic Partnership

A Bondholder, which is a company or a juristic partnership established pursuant to a foreign law and not doing (or not being deemed to be doing) business in Thailand or not having a permanent establishment in Thailand (the "**Non-Resident Corporate Bondholder**") will have the following tax liabilities:

(i) Interest

Interest received by the Non-Resident Corporate Bondholder which is paid from or within Thailand is subject to 15% withholding tax. Such withholding tax rate may be reduced to 10 percent, if the interest is payable to certain types of Non-Resident Corporate Bondholders, e.g. to banks and financial institutions, in accordance with applicable double tax agreements which Thailand has signed with other countries.

(ii) Capital Gains

Unless the terms and conditions of a double taxation agreement entered into between Thailand and the resident country of the Non-Resident Corporate Bondholder provide otherwise, a capital gain received from the transfer of the Bonds, which is paid from or within Thailand, is subject to 15% withholding tax.

2. Specific Business Tax

A Bondholder who carries on business in Thailand may be subject to a 0.01% specific business tax (**SBT**) plus 10% municipal tax which is levied on such SBT for interest of the Bonds received by the Bondholders or gains before deduction of any expenses from the sale or other transfer of the Bonds, if such interest or gains are considered to be income derived from a business of banking under the law governing commercial banking or any other specific law, an undertaking of finance business, securities business and credit foncier business under the laws governing finance business, securities business and credit foncier business or a business similar to that of commercial banking.

3. Stamp Duty

A sale or other transfer of the Bonds is exempt from stamp duty.

## **B. PRINCIPLE TAXATION - THE NETHERLANDS**

For the purpose of this summary, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.

Where this summary refers to a Bondholder, an individual holding a Bond or an entity holding a Bond, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Bond.

Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of a Bond.

### **1. Withholding Tax**

All payments by the Issuer of interest and principal under the Bonds can be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

### **2. Taxes on Income and Capital Gains**

A Bondholder who derives income from a Bond or who realises a gain on the disposal or redemption of a Bond will not be subject to Dutch taxation on such income or capital gains unless:

- (a) the Bondholder is, or is deemed to be, resident in The Netherlands, or, where the Bondholder is an individual, such Bondholder has elected to be treated as a resident of The Netherlands; or
- (b) such income or gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (vaste inrichting) or a permanent representative (vaste vertegenwoordiger) in The Netherlands and the Bondholder derives profits from such enterprise other than by way of securities; or
- (c) the Bondholder is an entity and has, directly or indirectly, a substantial interest (aanmerkelijk belang) or a deemed substantial interest in the Issuer or, in the case of a Bond that is exchangeable into shares of a Dutch tax resident entity, such interest in the entity the shares of which are the subject of the exchange right, and such interest does not form part of the assets of an enterprise; or
- (d) the Bondholder is an individual and such Bondholder or a person connected with such holder (verbonden persoon) has, directly or indirectly, a substantial interest (aanmerkelijk belang) in the Issuer or, in the case of a Bond that is exchangeable into shares of a Dutch tax resident entity, has such interest in the entity the shares of which are the subject of the exchange right, or such income or gain otherwise qualifies as income from miscellaneous activities (belastbaar resultaat uit overige werkzaamheden) in The Netherlands as defined in the Dutch Income Tax Act 2001 (Wet inkomstenbelasting 2001).

Generally speaking, an individual has a substantial interest in a company if (a) such individual, either alone or together with his partner, directly or indirectly has, or is deemed to have or (b) certain relatives of such individual or his partner directly or

indirectly have or are deemed to have (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent or more of either the total issued and outstanding capital of the Issuer or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of such company.

Generally speaking, an entity has a substantial interest in a company if such entity, directly or indirectly has (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent or more of either the total issued and outstanding capital of the Issuer or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of such company. An entity holding a Bond has a deemed substantial interest in a company if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.

### 3. Gift, Estate or Inheritance Taxes

Dutch gift, estate or inheritance taxes will not be levied on the occasion of the transfer of a Bond by way of gift by, or on the death of, a Bondholder, unless:

- (a) the Bondholder is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions; or
- (b) the transfer is construed as an inheritance or as a gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions; or

### 4. Value Added Tax

There is no Dutch value added tax payable by a Bondholder in respect of payments in consideration for the issue of the Bonds or in respect of the payment of interest or principal under the Bonds, or the transfer of the Bonds.

### 5. Other Taxes and Duties

There is no Dutch registration tax, stamp duty or any other similar tax or duty payable in The Netherlands by a Bondholder in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgement in the courts of The Netherlands) of the Bonds or the performance of the Issuer's obligations under the Bonds.

### 6. Residence

A Bondholder will not be treated as a resident of The Netherlands by reason only of the holding of a Bond or the execution, performance, delivery and/or enforcement of the Bonds.

**C. DOUBLE TAXATION AGREEMENT BETWEEN THAILAND (THE HOST COUNTRY) AND THE NETHERLANDS (THE HOME COUNTRY)**

1. Interest

According to the relevant provisions of the Double Taxation Agreement between Thailand and The Netherlands dated 11 September 1975 (as amended) (the "**Double Tax Treaty**"), any interest received by Resident Individual Bondholders and Resident Corporate Bondholders will be subject to Thai withholding tax at the relevant rates prescribed by the Thai tax law. Moreover, such interest may also be taxed in The Netherlands, but the tax so charged shall not exceed: (i) ten (10) per cent. if the interest is received by a Resident Corporate Bondholder which is a bank or any other financial institution (including an insurance company); and (ii) twenty-five (25) per cent. in all other cases. In such case, the Issuer is obliged to gross-up the Netherlands tax specified above in accordance with and subject to Terms and Conditions.

2. Capital Gains

Under the relevant provisions of the Double Tax Treaty, capital gains received by a Resident Individual Bondholder and a Resident Corporate Bondholder shall only be subject to Thai tax at the relevant rates prescribed by the Thai tax law.

**D. ISSUER'S RESPONSIBILITY FOR WITHHOLDING TAX**

1. The Issuer (acting through TSD) will have a duty to deduct Thai withholding tax on the interest payment of the Bonds in accordance with Thai tax law. The Issuer will not be required to gross-up such Thai withholding tax.
2. All payments of principal and interest in respect of the Bonds by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of The Netherlands or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Bondholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Bonds, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Bond, if any of the taxes referred to above arises:
  - (a) by reason of any Bondholder's connection with The Netherlands otherwise than by reason only of the holding of any Bond or receiving or being entitled to principal or interest in respect thereof; or
  - (b) by reason of the failure by the relevant Bondholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax.

## VII. SELECTED FINANCIAL INFORMATION

The following are selected financial information on the banking business of ING Group which is conducted substantially through ING Bank N.V. and its consolidated group in year 2009. For the most recent information on the banking business of ING Group –see Appendix E, "ING Group Quarterly Report for year 2010: Part I. – Part IV".

Please note, however, that the consolidated operations of ING Bank N.V. are not identical with the reported financial and statistical information on a segment basis for ING Group's banking business as described in Appendix E, "ING Group Quarterly Report for year 2010: Part I. – Part IV".

### A. SELECTED FINANCIAL DATA

*Consolidated balance sheet of ING Bank N.V.\**

(amounts in millions of euros)	31 December 2009	31 December 2008	31 December 2007
<b>Assets</b>			
Cash and balances with central banks	12,602	18,169	9,829
Amounts due from banks	43,397	48,447	48,875
Financial assets at fair value through profit and loss:			
- trading assets	110,981	159,843	192,215
- non-trading derivatives	8,610	10,631	6,784
- designated as at fair value through profit and loss	3,178	4,548	9,146
Investments:			
- available-for-sale	92,182	133,365	143,632
- held-to-maturity	14,409	15,440	16,753
Loans and advances to customers	551,774	598,328	526,323
Investments in associates	1,396	1,813	2,010
Real estate investments	2,283	2,884	3,527
Property and equipment	5,567	5,686	5,330
Intangible assets	2,377	2,415	1,883
Assets held for sale	4,583		
Other assets	28,780	33,120	27,806
<b>Total assets</b>	<b>882,119</b>	<b>1,034,689</b>	<b>994,113</b>
<b>Equity</b>			
Shareholders' equity (parent)	30,222	22,889	25,511
Minority interests	995	1,232	1,684
<b>Total equity</b>	<b>31,217</b>	<b>24,121</b>	<b>27,195</b>

<b>Liabilities</b>			
Subordinated loans	21,193	21,657	18,786
Debt securities is issue	109,357	84,272	55,990
Amounts due to banks	84,235	152,265	166,972
Customer deposits and other funds on deposit	477,602	537,683	528,197
Financial liabilities at fair value through profit and loss:			
- trading liabilities	98,245	152,611	148,887
- non-trading derivatives	16,777	17,050	5,569
- designated as at fair value through profit and loss	11,474	14,009	13,882
Liabilities held for sale	4,631		
Other liabilities	<u>27,388</u>	<u>31,021</u>	<u>28,635</u>
<b>Total liabilities</b>	<b><u>850,902</u></b>	<b><u>1,010,568</u></b>	<b><u>966,918</u></b>
<b>Total liabilities and equity</b>	<b>882,119</b>	<b>1,034,689</b>	<b>994,113</b>

\* These figures have been derived from the audited annual accounts of ING Bank N.V. in respect of the financial years ended 31 December 2009, 2008 and 2007.

*Breakdown of shareholders' equity of ING Bank N.V.\**

(amounts in millions of euros)	<b>31 December 2009</b>	<b>31 December 2008</b>	<b>31 December 2007</b>
Share capital	525	525	525
Share premium	16,542	16,392	9,192
Revaluation reserve	2,329	(3,857)	2,105
Currency translation reserve	(241)	(475)	(18)
Other reserves	11,067	10,304	13,707
Shareholders' equity (parent)	<b>30,222</b>	<b>22,889</b>	<b>25,511</b>

\* These figures have been derived from the audited annual accounts of ING Bank N.V. in respect of the financial year ended 31 December 2009, 2008 and 2007.



*Consolidated profit and loss account of ING Bank N.V.\**

<b>(amounts in millions of euros)</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Interest income	80,348	97,578	76,765
Interest expense	(67,586)	(86,292)	(67,730)
Interest result	12,762	11,286	9,035
Investment income	(1,742)	(2,386)	809
Net gains/losses on disposal of group companies	(13)	162	138
Gross commission income	3,553	3,994	4,166
Commission expense	(875)	(1,099)	(1,240)
Commission income	2,678	2,895	2,926
Valuation results on non-trading derivatives	(921)	343	126
Net trading income	833	(405)	740
Share of profit from associates	(388)	(210)	238
Other income	456	492	580
<b>Total income</b>	<b>13,665</b>	<b>12,177</b>	<b>14,592</b>
Addition to loan loss provisions	2,973	1,280	125
Intangible amortisation and other impairments	496	154	(5)
Staff expenses	5,243	5,988	5,421
Other operating expenses	4,453	4,222	4,597
<b>Total expenses</b>	<b>13,165</b>	<b>11,644</b>	<b>10,138</b>
Result before tax	500	533	4,454
Taxation	(43)	(170)	753
<b>Net result (before minority interests)</b>	<b>543</b>	<b>703</b>	<b>3,701</b>
Attributable to:			
Shareholders of the parent	684	772	3,589
Minority interests	(141)	(69)	112
	<b>543</b>	<b>703</b>	<b>3,701</b>

\* These figures have been derived from the audited annual accounts of ING Bank N.V. in respect of the financial year ended 31 December 2009, 2008 and 2007.

## Exchange rate

The records of exchange rate of euro into THB are as follows:

	Past 6 Months		Avg (end of month)	Y	Y	6M
	Low	High		2008	2009	2010
	(Unit:THB)	(Unit:THB)	(Unit:THB)	(Unit:THB)	(Unit:THB)	
Aug-10	39.6275	42.526	48.74865	47.82355	42.92463	
Sep-10	39.0442	39.0442				
Oct-10	41.1315	41.1315				
Nov-10	39.2159	39.2159				
Dec-10	39.4929	39.4929				
Jan-11	39.1718	39.1718				

(Source: Bloomberg)

## B. CAPITALIZATION AND INDEBTEDNESS

The authorised share capital of ING Bank N.V. amounts to EUR 1,808 million, consisting of 1,600 million ordinary shares with a nominal value of EUR 1.13 each and 50 preference shares, with a nominal value of EUR 1.13 each. The issued and paid-up capital amounted to EUR 525 million, consisting of 465 million ordinary shares and 7 preference shares as at 31 December 2009.

The following table sets forth the capital position of ING Bank N.V. as of 31 December 2009, 2008 and 2007.

### Capital position of ING Bank N.V.

In EUR millions	2009	2008	2007
Shareholders' equity (parent)	30,222	22,889	25,511
Minority interests	960	1,198	1,668
Subordinated loans qualifying as Tier 1 capital (1)	8,057	7,085	6,397
Goodwill and intangibles deductible from Tier 1	(1,636)	(1,636)	(1,428)
Deductions Tier 1	(1,073)	(1,040)	(93)
Revaluation reserve (2)	(2,515)	3,523	(2,283)
<b>Available capital – Tier 1</b>	<b>34,015</b>	<b>32,019</b>	<b>29,772</b>
Supplementary capital – Tier-2 (3)	11,789	12,910	14,199
Available Tier-3 funds			
Deductions	(1,073)	(1,040)	(2,407)
<b>BIS capital</b>	<b>44,731</b>	<b>43,889</b>	<b>41,564</b>
Risk-weighted assets	332,375	343,388	402,727
Tier 1 ratio(4)	10.23%	9.32%	7.39%
BIS ratio(4)	13.46%	12.78%	10.32%

Required capital based on Basel I floor (5)	28,709	34,369	32,210
BIS ratio based on Basel I floor	12.46%	10.22%	10.32%

1. Subordinated loans qualifying as Tier 1 capital have been placed by ING Groep N.V. with ING Bank N.V.
2. Includes revaluation debt securities, revaluation reserve cash flow hedge and revaluation reserves equity and real estate
3. Includes eligible lower Tier-2 loans and revaluation reserves equity and real estate revaluations removed from Tier 1 capital.
4. Using 80% and 90% of Basel I Risk Weighted Assets in 2009 and 2008 respectively.
5. Capital measures exclude the difference between IFRS-EU and IFRS-IASB as capital measures are based on IFRS-EU as primary accounting basis for statutory and regulatory reporting.

ING Bank's management believes that working capital is sufficient to meet the current and reasonably foreseeable needs of ING Bank.

## Liabilities

### *Interest-bearing liabilities*

	2009			2008			2007		
	Average balance	Interest income	Average yield %	Average balance	Interest income	Average yield %	Average balance	Interest income	Average yield %
	(EUR millions)			(EUR millions)			(EUR millions)		
Time deposits from banks									
domestic	32,892	596	1.8	49,198	2,020	4.1	40,487	1,801	4.4
foreign	27,716	634	2.3	43,046	2,176	5.1	37,583	1,991	5.3
Demand deposits <sup>(1)</sup>									
domestic	64,220	117	0.2	115,827	1,574	1.4	106,597	1,682	1.6
foreign	50,236	599	1.2	46,832	766	1.6	40,173	1,060	2.6
Time deposits <sup>(1)</sup>									
domestic	32,101	619	1.9	35,048	1,449	4.1	28,535	1,388	4.9
foreign	26,848	694	2.6	33,303	1,671	5.0	35,281	1,338	3.8
Savings deposits <sup>(1)</sup>									
domestic	64,817	1,835	2.8	57,537	1,630	2.8	63,109	1,475	2.3
foreign	243,080	6,047	2.5	229,149	9,070	3.9	228,030	8,603	3.8
Short term debt									
domestic	14,791	208	1.4	11,511	558	4.8	5,557	285	5.1
foreign	48,246	732	1.5	40,760	1,927	4.7	46,548	2,685	5.8
Long term debt									
domestic	33,657	1,465	4.4	20,379	1,110	5.4	12,903	813	6.3
foreign	23,682	999	4.2	23,325	1,277	5.5	21,155	1,063	5.0
Subordinated liabilities									
domestic	21,558	999	4.6	20,238	1,124	5.6	18,938	1,079	5.7
foreign	1,113	59	5.3	1,293	61	4.7	1,574	82	5.2
Other interest-bearing liabilities									
domestic	51,811	642	1.2	92,042	3,174	3.4	77,426	3,220	4.2
foreign	<u>64,863</u>	<u>793</u>	1.2	<u>100,179</u>	<u>3,527</u>	3.5	<u>90,157</u>	<u>5,131</u>	5.7

Total	801,631	17,038	2.1	919,667	33,114	3.6	854,053	33,696	3.9
Non-interest bearing liabilities	58,758			63,236			64,649		
Derivatives liabilities	73,694			48,243			30,591		
Total Liabilities	934,083			1,031,146			949,293		
Group Capital	<u>28,976</u>			<u>22,699</u>			<u>23,146</u>		
<b>Total liabilities and capital</b>	<b><u>963,059</u></b>			<b><u>1,053,845</u></b>			<b><u>972,439</u></b>		
Percentage of liabilities applicable to foreign operations		60.6%			57.0%			59.2%	
Other interest expense: interest expenses on derivatives		50,334			52,790			33,298	
other		<u>214</u>			<u>388</u>			<u>736</u>	
<b>Total interest expense</b>		<b><u>67,586</u></b>			<b><u>86,292</u></b>			<b><u>67,730</u></b>	
<b>Total net interest result</b>		<b><u>12,762</u></b>			<b><u>11,286</u></b>			<b><u>9,035</u></b>	

1. These captions do not include deposits from banks.

### *Subordinated Loans*

Subordinated loans relate to subordinated capital debentures and private loans which may be included in the calculation of the capital ratio.

Subordinated liabilities include EUR 8,057 million (2008: EUR 7,085 million) of loans that qualify as Tier 1 capital. These loans have been placed with ING Bank N.V. by ING Group.

The average interest rate on the subordinated loans is 5.7% (2008: 5.4%). The interest expense during the year 2009 was EUR 981 million (2008: EUR 1,088 million).

### *Debt Securities In Issue*

Debt securities in issue relate to debentures and other issued debt securities with either fixed interest rates or interest rates based on interest rate levels, such as certificates of deposit and accepted bills issued by ING Bank, except for subordinated items. Debt securities carried at fair value through profit and loss are separately included in financial liabilities at fair value through profit and loss. ING Bank does not have debt securities that are issued on terms other than those available in the normal course of business. The maturities of the debt securities are as follows:

*Debt Securities In Issue – Maturities*

	<b>2009</b>	<b>2008</b>
Within 1 year		
<b>Fixed rate debt securities</b>		
Within 1 year	64,731	49,344
More than 1 year but less than 2 years	922	2,159
More than 2 years but less than 3 years	5,735	999
More than 3 years but less than 4 years	1,851	1,615
More than 4 years but less than 5 years	9,446	1,261
More than 5 years	4,989	3,053
Total fixed rate debt securities	<b>87,674</b>	<b>58,431</b>
<b>Floating rate debt securities</b>		
Within 1 year	10,021	11,859
More than 1 year but less than 2 years	5,796	5,325
More than 2 years but less than 3 years	1,164	4,440
More than 3 years but less than 4 years	1,375	1,423
More than 4 years but less than 5 years	1,478	28
More than 5 years	1,849	2,766
Total floating rate debt securities	<b>21,683</b>	<b>25,841</b>
Total debt securities	<b>109,357</b>	<b>84,272</b>

As of 31 December 2009, ING Bank had unused lines of credit available including the payment of commercial paper borrowings relating to debt securities in issue of EUR 6,983 million (2008: EUR 5,601 million).

ING Bank issued 3 year government guaranteed senior unsecured bonds amounting to USD 6 billion in January 2009.

USD 5 billion of the issue was priced at a fixed rate of 80 basis points over mid-swaps. USD 1 billion was priced at a variable rate of 80 basis points over 3 month LIBOR.

ING Bank issued a 5 year EUR 4 billion fixed rate government guaranteed senior unsecured bond in February 2009. The issue was priced at a fixed rate of 3.375%, 75 basis points over mid-swaps.

ING Bank issued a 5 year USD 2 billion fixed rate government guaranteed senior unsecured bond in March 2009. The issue was priced at a fixed coupon of 3.90%, 145 basis points over USD mid-swaps.

All were issued under the Credit Guarantee Scheme of the State of the Netherlands and are part of ING Bank's regular medium-term funding operations. ING pays a fee of 84 basis points over the issued bonds to the Dutch State to participate in the Credit Guarantee Scheme.