

(Form 8)

Specified Securities Information

ING Groep N.V.
ING Bank N.V.

SPECIFIED SECURITIES INFORMATION

Type of Information:	Specified Securities Information
Date of Announcement:	7 December 2018
Company Names:	ING Groep N.V. ING Bank N.V.
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Type of Securities:	Senior Bonds
Total Issuance Value of Securities:	ING Groep N.V. Japanese Yen TOKYO PRO-BOND Market Listed Bonds – First Series (2018): JPY 107,500,000,000 ING Groep N.V. Japanese Yen TOKYO PRO-BOND Market Listed Bonds – Second Series (2018): JPY 19,200,000,000 ING Bank N.V. Japanese Yen TOKYO PRO-BOND Market Listed Bonds – Fifth Series (2018): JPY 8,700,000,000 (each or collectively, the " Bonds ")
Information on initial Program Information:	
Date of Filing:	29 March 2018
Expected Issuance Period:	30 March 2018 to 29 March 2019
Maximum Outstanding Issuance Amount:	JPY 400,000,000,000

Matters related to Financial Instruments Exchange Market, etc.: Not applicable

Address of Website for Announcement: <https://www.jpx.co.jp/equities/products/tpbm/announcement/index.html>

Status of Submission of Annual Securities Reports: No

Notes to Investors:

1. TOKYO PRO-BOND Market is a market for specified investors, etc. Bonds listed on the market ("**Listed Bonds**") may involve high investment risk. Investors should be aware of the listing eligibility and timely disclosure requirements that apply to issuers of Listed Bonds on TOKYO PRO-BOND Market and associated risks such as the fluctuation of market prices and shall bear responsibility for their investments. Prospective investors should make investment decisions only after having carefully considered the contents of this Specified Securities Information.
2. The regulatory framework for TOKYO PRO-BOND Market is different in fundamental aspects from the regulatory framework applicable to other exchange markets in Japan. Investors should be aware of the rules and regulations of TOKYO PRO-BOND Market, which are available on the Tokyo Stock Exchange website.
3. Tokyo Stock Exchange does not express opinions or issue guarantees regarding the content of the Specified Securities Information (including, but not limited to, whether the Specified Securities Information contains (a) a false statement or (b) lacks information on: (i) important matters that should be announced or (ii) a material fact that is necessary for avoiding misleading content) and shall not be liable for any damage or loss including that described above.
4. All prospective investors who purchase the Bonds listed or to be listed on TOKYO PRO-BOND Market should be aware that when they offer to purchase the Bonds, they shall be required to (i) enter into and agree the terms of a transfer restriction agreement with the Issuer and/or the person making a solicitation, or (ii) (in the case of a solicitation of an offer to acquire the Bonds to be newly issued) agree to comply with the terms of a transfer restriction. The terms of such transfer restriction agreement or transfer restriction provide that prospective investors agree not to sell, transfer or otherwise dispose of the Bonds to be held by them to any person other than the Professional Investors, Etc., except for the transfer of the Bonds to the following:
 - (a) the Issuer or the Officer (meaning directors, company auditors, executive officers or persons equivalent thereto) thereof who holds shares or equity pertaining to voting rights exceeding 50% of all the voting rights in the Issuer which is calculated by excluding treasury shares or any non-voting rights shares (the "**Voting Rights Held by All the Shareholders, Etc.**" (*Sou Kabunushi Tou no Giketsuken*)) (as prescribed in Article 29-4, Paragraph 2 of the FIEA) of the Issuer under his/her own name or another person's name (the "**Specified Officer**" (*Tokutei Yakuin*)), or a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc., are held by the Specified Officer (the "**Controlled Juridical Person, Etc.**" (*Hi-Shihai Houjin Tou*)) including a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50% in total of the Voting Rights Held by All the Shareholders, Etc. are held by the Specified Officer and/or the Controlled Juridical Person, Etc. under its own name or another person's name (as prescribed in Article 11-2, Paragraph 1, Item 2 (c) of the Cabinet Office Ordinance on Definitions under Article 2 of the Financial Instruments and Exchange Act (MOF Ordinance No. 14 of 1993, as amended)); or
 - (b) a company that holds shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc. of the Issuer in its own name or another person's name.

5. When (i) a solicitation of an offer to acquire the Bonds or (ii) an offer to sell or a solicitation of an offer to purchase the Bonds (collectively, "**Solicitation of the Bond Trade**") is made, the following matters shall be notified from the person who makes such Solicitation of the Bond Trade to the person to whom such Solicitation of the Bond Trade is made:
- (a) no securities registration statement (pursuant to Article 4, Paragraphs 1 through 3 of the FIEA) has been filed with respect to the Solicitation of the Bond Trade;
 - (b) the Bonds fall, or will fall, under the Securities for Professional Investors (*Tokutei Toushika Muke Yukashoken*) (as defined in Article 4, Paragraph 3 of the FIEA);
 - (c) any acquisition or purchase of the Bonds by such person pursuant to any Solicitation of the Bond Trade is conditional upon such person (i) entering into an agreement providing for the restriction on transfer of the Bonds as set forth in note 6 above, (x) with each of an Issuer and the person making such Solicitation of the Bond Trade (in the case of a solicitation of an offer to acquire the Bonds to be newly issued), or (y) with the person making such Solicitation of the Bond Trade (in the case of an offer to sell or a solicitation of an offer to purchase the Bonds already issued), or (ii) agreeing to comply with the restriction on transfer of the Bonds as set forth in note 6 above (in the case of a solicitation of an offer to acquire the Bonds to be newly issued);
 - (d) Article 4, paragraphs 3, 5 and 6 of the FIEA will be applicable to such certain solicitation, offers and other activities with respect to the Bonds as provided in Article 4, paragraph 2 of the FIEA;
 - (e) the Specified Securities Information, Etc. (*Tokutei Shouken Tou Jouhou*) (as defined in Article 27-33 of the FIEA) with respect to the Bonds and the Issuer Information, Etc. (*Hakkosha Tou Jouhou*) (as defined in Article 27-34 of the FIEA) with respect to the Issuer have been or will be made public by way of such information being posted on the web-site maintained by the TOKYO PRO-BOND Market (<https://www.jpx.co.jp/equities/products/tpbm/index.html> or any successor website) in accordance with Articles 210 and 217 of the Special Regulations of Securities Listing Regulations Concerning Specified Listed Securities of the Tokyo Stock Exchange; and
 - (f) the Issuer Information, Etc. will be provided directly to the bondholders or made public pursuant to Article 27-32 of the FIEA.
6. **In the case of Bonds issued by ING Bank N.V.: MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any underwriter subscribing for any Bonds is a manufacturer in respect of such Bonds.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, "IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the "Prospectus Directive"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and

therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

7. The defined terms in this document have the same meaning as those in the Program Information dated on 29 March 2018 (as amended on 4 December 2018) unless otherwise stated in this amendment.

PART I SECURITIES INFORMATION

This document sets forth descriptions with respect to three different types of bonds. References to "ING Groep First Series Bonds" are to ING Groep N.V. Japanese Yen TOKYO PRO-BOND Market Listed Bonds - First Series (2018), references to "ING Groep Second Series Bonds" are to ING Groep N.V. Japanese Yen TOKYO PRO-BOND Market Listed Bonds - Second Series (2018) and references to "ING Bank Fifth Series Bonds" are to ING Bank N.V. Japanese Yen TOKYO PRO-BOND Market Listed Bonds - Fifth Series (2018), respectively, and the terms "Bonds" and "Conditions of Bonds" used under the headings "ING Groep First Series Bonds", "ING Groep Second Series Bonds" and "ING Bank Fifth Series Bonds" refer to those of the ING Groep First Series Bonds, the ING Groep Second Series Bonds and the ING Bank Fifth Series Bonds, respectively. Unless separate descriptions are made under such headings, these three series of bonds are collectively referred to as the "Bonds". The "Bondholders" refer to the holders of the Bonds. However, please note that this presentation does not mean that these respective bonds constitute the same series of the bonds. A holder of bonds has rights under such bonds according to the respective bonds held by such holder.

I. TERMS AND CONDITIONS OF PRIMARY OFFERING FOR SUBSCRIPTION TO PROFESSIONAL INVESTORS

I-1 Bonds to Be Newly Issued

(1) Conditions of Bonds

<ING Groep First Series Bonds>

Please refer to Annex A (*Conditions of Bonds*) attached hereto for the terms and conditions of the ING Groep First Series Bonds.

<ING Groep Second Series Bonds>

Please refer to Annex B (*Conditions of Bonds*) attached hereto for the terms and conditions of the ING Groep Second Series Bonds.

<ING Bank Fifth Series Bonds>

Please refer to Annex C (*Conditions of Bonds*) attached hereto for the terms and conditions of the ING Bank Fifth Series Bonds.

(2) Credit Ratings for the Bonds

<ING Groep First Series Bonds>

ING Groep First Series Bonds are rated Baa1 with a Stable Outlook by Moody's France SAS ("**Moody's**"), A- by S&P Global Ratings ("**S&P**") and A+(EXP) by Fitch Ratings Limited ("**Fitch**").

<ING Groep Second Series Bonds>

ING Groep Second Series Bonds are rated Baa1 with a Stable Outlook by Moody's, A- by S&P and A+(EXP) by Fitch.

<ING Bank Fifth Series Bonds>

ING Bank Fifth Series Bonds are rated Aa3 with a Stable Outlook by Moody's. As of the date of filing of this document, in respect of the program included in the Program Information filed on 29 March 2018 under which the ING Bank Fifth Series Bonds are to be issued by the Issuer, a rating of A+ from S&P and a rating of A+ from Fitch have been assigned. The Issuer expects to obtain ratings with respect to the ING Bank Fifth Series Bonds from S&P and Fitch, respectively.

I-2 Underwriting of Bonds and Entrustment of Bond Administration

(1) Underwriting of Bonds

The financial instrument firms that have entered into the subscription agreements (the "**Managers**") in connection with the issuance of the Bonds are as follows:

<ING Groep First Series Bonds>

<u>Name</u>	<u>Address</u>	<u>Amount Underwritten (millions of yen)</u>
JPMorgan Securities Japan Co., Ltd.	7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo	There is no underwritten amount for each of the Managers, since the aggregate principal amount of the Bonds will be jointly and severally underwritten by the Managers.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo	
Mizuho Securities Co., Ltd.	Otemachi First Square 5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo	
Nomura Securities Co., Ltd.	9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo	
SMBC Nikko Securities Inc.	3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo	
Daiwa Securities Co. Ltd.	9-1, Marunouchi 1-chome Chiyoda-ku, Tokyo	
Total	-	107,500

<ING Groep Second Series Bonds>

<u>Name</u>	<u>Address</u>	<u>Amount Underwritten (millions of yen)</u>
JPMorgan Securities Japan Co., Ltd.	7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo	There is no underwritten amount for each of the Managers, since the aggregate principal amount of the Bonds will be jointly and severally underwritten by the Managers.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo	
Mizuho Securities Co., Ltd.	Otemachi First Square 5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo	
Nomura Securities Co., Ltd.	9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo	
SMBC Nikko Securities Inc.	3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo	
Daiwa Securities Co. Ltd.	9-1, Marunouchi 1-chome Chiyoda-ku, Tokyo	
Total	-	19,200

<ING Bank Fifth Series Bonds>

<u>Name</u>	<u>Address</u>	<u>Amount Underwritten (millions of yen)</u>
JPMorgan Securities Japan Co., Ltd.	7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo	There is no underwritten amount for each of the Managers, since the aggregate principal amount of the Bonds will be jointly and severally underwritten by the Managers.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo	
Mizuho Securities Co., Ltd.	Otemachi First Square 5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo	
Nomura Securities Co., Ltd.	9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo	
SMBC Nikko Securities Inc.	3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo	
Daiwa Securities Co. Ltd.	9-1, Marunouchi 1-chome Chiyoda-ku, Tokyo	
Total	-	8,700

JPMorgan Securities Japan Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Mizuho Securities Co., Ltd., Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc. are acting as the Joint-Lead Managers as provided in each of the subscription agreements.

Underwriting Terms and Conditions

Pursuant to the terms and conditions of the subscription agreements relating to the Bonds entered into by and between the Issuers and the Managers on 7 December, 2018, the Managers will jointly and severally subscribe for and purchase all the Bonds and will initially offer to the Professional Investors (*Tokutei Toushika*) (as defined in Article 2, paragraph 31 and subject to Articles 34-2 to 34-4 of the FIEA) only.

<ING Groep First Series Bonds>

The combined management, underwriting and selling commission payable to the Managers is equal to 0.30% of the aggregate principal amount of the Bonds.

<ING Groep Second Series Bonds>

The combined management, underwriting and selling commission payable to the Managers is equal to 0.35% of the aggregate principal amount of the Bonds.

<ING Bank Fifth Series Bonds>

The combined management, underwriting and selling commission payable to the Managers is equal to 0.20% of the aggregate principal amount of the Bonds.

(2) Entrustment of Bond Administration

No commissioned companies for Bondholders are appointed in respect of the Bonds.

The fiscal agent and issuing and paying agent of the Issuers (the "**Fiscal Agent**") in connection with the Bonds is as follows:

<u>Name</u>	<u>Address</u>
Mizuho Bank, Ltd.	5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo

Please refer to Condition 5 (*Appointment of Fiscal Agent and Issuing and Paying Agent and Non-appointment of Commissioned Companies for Bondholders*) of the Conditions of Bonds for the terms and conditions of the Fiscal Agency Agreement (as defined in the Conditions of Bonds).

I-3 Use of Proceeds from New Issuance

(1) Amount of Proceeds from New Issuance

<u>Total Amount of Proceeds</u> <u>(Yen)</u>	<u>Estimated Amount of Issuance</u> <u>Cost (Yen)</u>	<u>Estimated Amount of Net</u> <u>Proceeds (Yen)</u>
135,400,000,000 (Note)	407,100,000 (Note)	134,992,900,000 (Note)

(Note) The sum of the ING Groep First Series Bonds, the ING Groep Second Series Bonds and the ING Bank Fifth Series Bonds.

(2) Use of Proceeds

The net proceeds from each issue of the Bonds will be applied by the Issuers for their general corporate purposes.

I-4 Other

(1) Taxation

The paragraphs entitled "Taxation" (excluding the two paragraphs under the sub-title "Japanese taxation") on page 1-4 of the Program Information dated 29 March 2018 (as amended) shall be deleted and restated as follows for the purpose of this Specified Securities Information:

"The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Specified Securities Information and is subject to any changes in law and the interpretation and application thereof, which changes could have retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of 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.

For the purpose of the paragraph "Taxes on Income and Capital Gains" below it is assumed that a holder of Bonds, being an individual or a non-resident entity, neither has nor will have a substantial interest (aanmerkelijk belang) or, in the case of the holder being an entity, a deemed substantial interest in the Issuer and that no connected person (verbonden persoon) to the holder has or will have a substantial interest in the Issuer.

Generally speaking, an individual has a substantial interest in a company if the individual, either alone or together with his partner, directly or indirectly has or is deemed to have (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5% or more of either the total issued and outstanding capital of such company 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% or more of either the annual profit or the liquidation proceeds of such company.

Generally speaking, a non-resident 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% or more of either the total issued and outstanding capital of such company 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% or more of either the annual profit or the liquidation proceeds of such company. Generally, a non-resident entity 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.

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 holder of Bonds, an individual holding Bonds or an entity holding

Bonds, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Bonds or otherwise being regarded as owning Bonds for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate, gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated as assets owned by the (deemed) settlor, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.

Where the summary refers to "the Netherlands" or "Dutch" it refers only to the European part of the Kingdom of the Netherlands.

Investors should consult their professional advisers as to the tax consequences of acquiring, holding and disposing of Bonds.

WITHHOLDING TAX

All payments of principal and interest by the Issuer under the Bonds can be made without withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

TAXES ON INCOME AND CAPITAL GAINS

Residents

Resident entities

An entity holding Bonds which is or is deemed to be resident in the Netherlands for Dutch corporate tax purposes and which is not tax exempt, will generally be subject to Dutch corporate tax in respect of income or a capital gain derived from the Bonds at the prevailing statutory rates (up to 25% in 2018).

Resident individuals

An individual holding Bonds who is or is deemed to be resident in the Netherlands for Dutch income tax purposes will be subject to Dutch income tax in respect of income or a capital gain derived from the Bonds at the prevailing statutory rates (up to 51.95% in 2018) if:

- (i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or
- (ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, the individual will generally be subject to Dutch income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from the Bonds. For 2018, the deemed return ranges from 2.02% to 5.38% of the value of the individual's net assets as

at the beginning of the relevant fiscal year (including the Bonds). The applicable percentages will be updated annually on the basis of historic market yields. Subject to application of certain allowances, the deemed return will be taxed at the prevailing statutory rate (30% in 2018).

Non-residents

A holder of Bonds which neither is nor is deemed to be resident in the Netherlands for the relevant tax purposes will not be subject to Dutch taxation on income or a capital gain derived from the Bonds, unless:

- (i) the income or capital 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*) taxable in the Netherlands and the holder derives profits from such enterprise (other than by way of the holding of securities); or
- (ii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in the Netherlands as defined in the Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

GIFT AND INHERITANCE TAXES

Dutch gift or inheritance tax will not be levied on the occasion of the transfer of Bonds by way of gift by, or on the death of, a holder of Bonds, unless:

- (i) the holder is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or 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.

VALUE ADDED TAX

There is no Dutch value added tax payable by a holder of Bonds in respect of payments in consideration for the issue or acquisition of Bonds or payments of principal and interest under the Bonds.

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 holder of Bonds in respect of or in connection with the acquisition, holding or disposal of Bonds, the execution, delivery 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.

RESIDENCE

A holder of Bonds will neither be nor be deemed to be resident in the Netherlands for Dutch tax purposes and, subject to the exceptions set out above, will not otherwise become subject to Dutch taxation, by reason only of acquiring, holding or disposing of Bonds or the execution, performance, delivery or enforcement of the Bonds."

(2) Risk factors

The following risk factor shall be added to "Risks factors" beginning on page 4 of the Program Information dated 29 March 2018 (as amended) for the purpose of this Specified Securities Information:

"Dutch tax risks related to the Dutch government's approach on tax avoidance and tax evasion

On 10 October 2017, the new Dutch government released its coalition agreement (*Regeerakkoord*) 2017-2021, which includes, among others, certain policy intentions for tax reform. On 23 February 2018, the Dutch State Secretary for Finance published a letter with an annex containing further details on the government's policy intentions against tax avoidance and tax evasion. The Dutch government released its Tax Plan 2019 as part of Budget Day 2018 on 18 September 2018 and made certain amendments to the Tax Plan 2019 in memoranda of amendments published on 26 October 2018, which include, among others, certain legislative proposals based on the policy intentions as mentioned in the coalition agreement and letter on tax avoidance and tax evasion. Two policy intentions in particular may become relevant in the context of the Dutch tax treatment of the Issuer, the Bonds, and/or payments under the Bonds.

The first policy intention relates to the introduction of a conditional withholding tax on interest paid to creditors in low tax jurisdictions or non-cooperative jurisdictions as of 2021. A legislative proposal introducing a similar conditional withholding tax on dividends and the supporting parliamentary documents thereto mention that, like the conditional dividend withholding tax, this interest withholding tax would apply to certain payments made by a Dutch entity directly or indirectly to a group or related entity (as defined in the legislative proposal on the conditional dividend withholding tax) in a low tax or non-cooperative jurisdiction. However, it cannot be ruled out that it will have a wider application and, as such, it could potentially be applicable to payments under the Bonds.

On 26 October 2018, the Dutch government published certain memoranda of amendments in which it is announced that, among others, the introduction of the conditional withholding tax on dividends will be postponed (and the current Dutch dividend withholding tax will not be abolished). The introduction

of the conditional withholding tax on interest and royalties will not be postponed. A legislative proposal is still expected to be published in 2019.

The second policy intention relates to the introduction of a thin capitalisation rule as of 2020 that would limit the deduction of interest on debt exceeding 92% of the commercial balance sheet total. The heading in the coalition agreement, the annex to the letter on tax avoidance and tax evasion and the legislative proposal on the conditional withholding tax on dividends suggest that this thin capitalisation rule will apply solely to banks and insurers (including the Issuer).

Many aspects of these policy intentions remain unclear. However, if the policy intentions are implemented they may have an adverse effect on the Issuer and its financial position and may result in the Issuer exercising its rights pursuant to the Conditions, set out herein, to redeem the Bonds.”

II. TERMS AND CONDITIONS OF SECONDARY DISTRIBUTION TO PROFESSIONAL INVESTORS

Not applicable

III. OTHER MATTERS

Moody's, S&P and Fitch are engaged in credit rating services but neither of them is registered as a credit rating firms as provided in Article 66-27 of the FIEA ("**Unregistered credit rating firms**") as of the filing date of this document.

Unregistered credit rating firms are not subject to any supervision of the Financial Services Agency of Japan or regulations applicable to credit rating firms, including obligations to disclose information, nor obligated to publicize information regarding such matters as listed in Article 313, Paragraph 3, Item 3 of the Ordinance of the Cabinet Office Concerning Financial Instruments Business, etc..

For Moody's, Fitch and S&P, there are Moody's Japan K.K. (registration number: Commissioner of Financial Services Agency (*kakuzuke*) No.2), Fitch Ratings Japan Limited (registration number: Commissioner of Financial Services Agency (*kakuzuke*) No.7) and S&P Global Ratings Japan Inc. (registration number: Commissioner of Financial Services Agency (*kakuzuke*) No.5) which are registered as credit rating service providers under Article 66-27 of the FIEA within their respective groups. Assumptions, significance and limits applicable to the above credit ratings are disclosed respectively in the item entitled (i) "Assumptions, Significance and Limits of Credit Ratings" posted under "Description of Unregistered Credit Rating" following the column entitled "Use of Rating of Unregistered Rating Agency", which appears on the page entitled "Credit Rating Businesses" of the Internet website of Moody's Japan K.K. (its Japanese website (https://www.moodys.com/pages/default_ja.aspx)), (ii) "Assumptions, Significance and Limits of Rating" in the section "Regulatory Affairs" in the column entitled "About Credit Rating Businesses of Fitch" on the Internet website of Fitch Ratings Japan Limited (<https://www.fitchratings.com/site/japan>) and (iii) "Assumptions, Significance and Limits of Rating" posted under "Information on Unregistered Credit Rating" (https://www.standardandpoors.com/ja_JP/web/guest/regulatory/unregistered) in the column entitled "Library/Regulation" on the Internet website of S&P Global Ratings Japan Inc. (https://www.standardandpoors.com/ja_JP/web/guest/home).

PART II: CORPORATE INFORMATION

Please refer to PART II - CORPORATE INFORMATION in the Program Information of the Issuers dated 29 March 2018 (as amended on 4 December 2018).

PART III: MATTERS RELATED TO OTHER SECURITIES

ING Group

For the status of the Issuer's shareholders' equity, please see Note 18 to the consolidated annual accounts of the Issuer in respect of the year ended on 31 December 2017. The shares of the Issuer are not listed on Tokyo Stock Exchange.

There are several outstanding bonds issued by the Issuer, none of which are listed on TOKYO PRO-BOND Market. Please see Note 16 to the consolidated annual accounts of the Issuer in respect of the year ended on 31 December 2017.

ING Bank

For the status of the Issuer's shareholders' equity, please see Note 18 to the consolidated annual accounts of the Issuer in respect of the year ended on 31 December 2017. The shares of the Issuer are not listed on Tokyo Stock Exchange.

There are several outstanding bonds issued by the Issuer, none of which are listed on TOKYO PRO-BOND Market other than TOKYO PRO-BOND Market Listed Bonds – Fourth Series (2015) and TOKYO PRO-BOND Market Listed Floating Rate Bonds – Second Series (2015). Please see Note 16 to the consolidated annual accounts of the Issuer in respect of the year ended on 31 December 2017.

PART IV INFORMATION ON GUARANTOR OF THE COMPANY

Not applicable

ANNEX

ING Groep N.V.

Japanese Yen TOKYO PRO-BOND Market Listed Bonds – First Series (2018)

CONDITIONS OF BONDS

The below Conditions of Bonds shall apply to the issue of ING Groep N.V. Japanese Yen TOKYO PRO-BOND Market Listed Bonds – First Series (2018) (the "**Bonds**") pursuant to lawful authorisation by ING Groep N.V. (the "**Issuer**").

1 Aggregate Principal Amount, Date of Issuance, Denominations and Form

- (1) The aggregate principal amount of the Bonds is ¥107,500,000,000.
- (2) The issue date of the Bonds is 13 December 2018 (the "**Issue Date**").
- (3) The Bonds are issued in the denomination of ¥100,000,000 each.
- (4) The Law Concerning Book-Entry Transfer of Corporate Bonds, Stocks, Etc. of Japan (Law No. 75, 2001, as amended) (the "**Book-Entry Transfer Law**") shall apply to the Bonds and the transfer of and other matters relating to the Bonds shall be dealt with in accordance with the Book-Entry Transfer Law and the business regulations and other rules relating to book-entry transfer of corporate bonds, etc. (collectively, the "**Business Regulations**") from time to time adopted by JASDEC (as defined in Condition 6).
- (5) The certificates for the Bonds (the "**Bond Certificates**") shall not be issued except in such exceptional cases as set forth in the Book-Entry Transfer Law where the holders of the Bonds (the "**Bondholders**") may make a request for the issue of Bond Certificates. In the event that the Bond Certificates are issued, all expenses incurred in connection with the issue of the Bond Certificates shall be borne by the Issuer, the Bond Certificates to be issued shall be only in bearer form with unmatured interest coupons and the Bondholders may not request that the Bond Certificates be exchanged for Bond Certificates in registered form or divided or consolidated.

If the Bond Certificates are issued, the manner of the calculation and payment of principal of and interest on the Bonds, the exercise of the rights under the Bonds by the Bondholders and the transfer of the Bonds, and all other matters in respect of the Bonds shall be subject to the then applicable Japanese laws and regulations and the then prevailing market practice in Japan. In the event of any inconsistency between the provisions of these Conditions of Bonds and the then applicable Japanese laws and regulations and the then prevailing market practice in Japan, such Japanese laws and regulations and market practice shall prevail.

2 Restriction of Transferability of Bonds

- (1) Subject to amendment and modification in accordance with Condition 17, the Bonds shall not be sold, transferred or otherwise disposed to any person other than Professional Investors, Etc. (*Tokutei Tousehika tou*), as defined in Article 2, paragraph 3, Item 2 (b) (2) of the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended, the "**FIEA**"), except for the transfer of the Bonds to the following:
 - (a) the Issuer or the Officer (meaning directors, company auditors, executive officers or persons equivalent thereto) thereof who holds shares or equity pertaining to voting rights exceeding 50% of all the voting rights in the Issuer which is calculated by excluding treasury shares or any non-voting rights shares (the "**Voting Rights Held by All the Shareholders, Etc.**" (*Sou Kabumushi Tou no Giketsuken*)) (as prescribed in Article 29-4, Paragraph 2 of the FIEA) of the Issuer under his/her own name or another person's name (the "**Specified Officer**" (*Tokutei Yakuin*)), or a juridical person (excluding the Issuer) whose shares or equity pertaining to

voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc., are held by the Specified Officer (the "**Controlled Juridical Person, Etc.**" (*Hi-Shihai Houjin Tou*)) including a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50% in total of the Voting Rights Held by All the Shareholders, Etc. are held by the Specified Officer and/or the Controlled Juridical Person, Etc. under its own name or another person's name (as prescribed in Article 11-2, Paragraph 1, Item 2 (c) of the Cabinet Office Ordinance on Definitions under Article 2 of the Financial Instruments and Exchange Act (MOF Ordinance No. 14 of 1993, as amended)); or

- (b) a company that holds shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc. of the Issuer in its own name or another person's name.

(2) Matters Notified to the Bondholders and Other Offerees

When (i) a solicitation of an offer to acquire the Bonds or (ii) an offer to sell or a solicitation of an offer to purchase the Bonds (collectively, "**Solicitation of the Bond Trade**") is made, the following matters shall be notified from the person who makes such Solicitation of the Bond Trade to the person to whom such Solicitation of the Bond Trade is made:

- (a) no securities registration statement (pursuant to Article 4, Paragraphs 1 through 3 of the FIEA) has been filed with respect to the Solicitation of the Bond Trade;
- (b) the Bonds fall, or will fall, under the Securities for Professional Investors (*Tokutei Toushika Muke Yukashoken*) (as defined in Article 4, Paragraph 3 of the FIEA);
- (c) any acquisition or purchase of the Bonds by such person pursuant to any Solicitation of the Bond Trade is conditional upon such person (i) entering into an agreement providing for the restriction on transfer of the Bonds as set forth in this Condition 2, (x) with each of the Issuer and the person making such Solicitation of the Bond Trade (in the case of a solicitation of an offer to acquire the Bonds to be newly issued), or (y) with the person making such Solicitation of the Bond Trade (in the case of an offer to sell or a solicitation of an offer to purchase the Bonds already issued), or (ii) agreeing to comply with the restriction on transfer of the Bonds as set forth in this Condition 2 (in the case of a solicitation of an offer to acquire the Bonds to be newly issued);
- (d) Article 4, paragraphs 3, 5 and 6 of the FIEA will be applicable to such certain solicitation, offers and other activities with respect to the Bonds as provided in Article 4, paragraph 2 of the FIEA;
- (e) the Specified Securities Information, Etc. (*Tokutei Shouken Tou Jouhou*) (as defined in Article 27-33 of the FIEA) with respect to the Bonds and the Issuer Information, Etc. (*Hakkosha Tou Jouhou*) (as defined in Article 27-34 of the FIEA) with respect to the Issuer have been or will be made public by way of such information being posted on the web-site maintained by the TOKYO PRO-BOND Market (<https://www.jpx.co.jp/equities/products/tpbm/index.html> or any successor website) in accordance with Articles 210 and 217 of the Special Regulations of Securities Listing Regulations Concerning Specified Listed Securities of the Tokyo Stock Exchange; and
- (f) the Issuer Information, Etc. will be provided directly to the Bondholders or made public pursuant to Article 27-32 of the FIEA.

3 Status of the Bonds

The Bonds are unsecured and unsubordinated obligations of the Issuer and rank *pari passu* among themselves and equally with all other unsecured and unsubordinated obligations of the Issuer from time to time outstanding, save as otherwise provided by law. No holder of Bonds shall be entitled to exercise any right of set-off, netting or counterclaim in respect of any amounts owed by the Issuer under or in

connection with the Bonds. The Bonds are intended to be included for purposes of minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments.

4 Recognition of Bail-in

(1) Agreement and Acknowledgement with Respect to the Exercise of Dutch Bail-in Power

Notwithstanding and to the exclusion of any other term of the Bonds or any other agreements, arrangements, or understandings between the Issuer and any Bondholder, by its acquisition of the Bonds, each Bondholder (which, for the purposes of this clause, includes each holder of a beneficial interest in the Bonds), acknowledges and accepts that the Amounts Due arising under these Bonds may be subject to the exercise of Dutch Bail-in Powers by the relevant Dutch resolution authority, and acknowledges, accepts, consents and agrees to be bound by:

- (a) the effect of the exercise of Dutch Bail-in Power by the relevant Dutch resolution authority, that may include and result in any of the following, or some combination thereof:
 - (i) the reduction of all, or a portion, of the Amounts Due;
 - (ii) the conversion of all, or a portion, of the Amounts Due on the Bonds into shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the Bondholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Bonds;
 - (iii) the cancellation of the Bonds;
 - (iv) the amendment or alteration of the maturity of the Bonds or amendment of the amount of interest payable on the Bonds, or the date on which the interest becomes payable, including by suspending payment for a temporary period;
- (b) the variation of the terms of the Bonds, if necessary, to give effect to the exercise of Dutch Bail-in Power by the relevant Dutch resolution authority.

(2) Definitions

- (a) For these purposes, the "**Amounts Due**" are the principal amount of or outstanding amount, together with any accrued but unpaid interest, due on the Bonds. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of Dutch Bail-in Power by the relevant Dutch resolution authority.
- (b) For these purposes, the "**Dutch Bail-in Power**" means any statutory write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in The Netherlands in effect and applicable in The Netherlands to the Issuer or other members of the Issuer's Group (as defined below), including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (including but not limited to Directive 2014/59/EU of the European Parliament and of the Council (the "**Bank Recovery and Resolution Directive**") and the provisions of Regulation (EU) No 806/2014 of the European Parliament and of the Council (the "**SRM Regulation**")) and/or within the context of a Dutch resolution regime under the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) and any amendments thereto, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person or may be expropriated (and a reference to the "**relevant Dutch resolution authority**" is to any authority with the ability to exercise a Dutch Bail-in Power and a reference to the "**the Issuer's Group**" is to ING Groep N.V. (or any successor entity) and ING Bank N.V. and their respective consolidated subsidiaries).

- (c) A reference to a "regulated entity" is to any entity eligible for resolution under the laws of The Netherlands.
- (3) **Payment of Interest and Other Outstanding Amounts Due**
- No repayment or payment of Amounts Due on the Bonds, will become due and payable or be paid after the exercise of any Dutch Bail-in Power by the relevant Dutch resolution authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.
- (4) **Event of Default**
- Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Dutch Bail-in Power by the relevant Dutch resolution authority with respect to the Issuer, nor the exercise of the Dutch Bail-in Power by the relevant Dutch resolution authority with respect to the Bonds will be an Event of Default.
- (5) **Notice to Bondholders**
- The Issuer shall notify the Fiscal Agent (as defined in Condition 5) and give a public notice to the Bondholders (including the beneficial owners) through the Fiscal Agent as soon as practicable of any exercise of the Dutch Bail-in Power with respect to the Bonds by the relevant Dutch resolution authority. Notwithstanding that the Issuer and/or the Fiscal Agent may be delayed in giving or fail to give any of the notices referred to above, such delay or failure shall not affect the validity and enforceability of the Dutch Bail-in Power.

5 Appointment of Fiscal Agent and Issuing and Paying Agent and Non-appointment of Commissioned Companies for Bondholders

- (1) Mizuho Bank, Ltd. (the "**Fiscal Agent**") acts as fiscal agent and issuing and paying agent of the Issuer in connection with the Bonds. The Fiscal Agent shall perform the duties and functions provided for in (i) these Conditions of Bonds, (ii) the Fiscal, Issuing and Paying Agency Agreement dated 7 December 2018 by and between the Issuer and the Fiscal Agent (the "**Fiscal Agency Agreement**") and (iii) the Business Regulations. The Fiscal Agent is acting solely as agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with the Bondholders. A copy of the Fiscal Agency Agreement, to which these Conditions of Bonds are attached, shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date and shall be made available for perusal or photocopying by any Bondholder during normal business hours. All expenses incurred for such photocopying shall be borne by the applicant therefor.
- (2) No commissioned companies for Bondholders are appointed in respect of the Bonds.
- (3) The Issuer reserves the right at any time to terminate the appointment of the Fiscal Agent and to appoint a replacement fiscal agent by giving prior public notice thereof to the Bondholders; provided the replacement fiscal agent shall be qualified to act as issuing agent and paying agent pursuant to the Business Regulations and the appointment of the Fiscal Agent shall continue until the replacement fiscal agent is effectively appointed.
- (4) The Issuer shall, without delay, appoint a replacement fiscal agent (provided that the replacement fiscal agent shall be qualified to act as issuing agent and paying agent pursuant to the Business Regulations) and give public notice in accordance with Condition 13 to that effect to the Bondholders if JASDEC notifies the Issuer that the Fiscal Agent will be disqualified from a designated issuing agent or paying agent.

6 Book-Entry Transfer Institution for the Bonds

Japan Securities Depository Center, Incorporated ("**JASDEC**") acts as book-entry transfer institution (*furikae kikan*) in respect of the Bonds under the Book-Entry Transfer Law.

In these Conditions of Bonds, all references to JASDEC shall be deemed to include any successor book-entry transfer institution as designated by a competent minister pursuant to the Book-Entry Transfer Law.

7 Interest

The Bonds bear interest at the rate of 0.848% per annum of their principal amount for the period from, and including, 14 December 2018 to, and including, 13 December 2023, payable in Japanese Yen semi-annually in arrears on 13 June and 13 December of each year in respect of the half year period to and including each such interest payment date. Whenever it is necessary to compute an amount of interest on the Bonds for a period other than a half year, such interest shall be calculated on the basis of the actual number of calendar days in a 365-day year.

The total amount of interest payable to each Bondholder shall be calculated in accordance with the Business Regulations.

The Bonds shall cease to bear interest after the date on which they become due for redemption; provided, however, that should the Issuer fail to redeem any of the Bonds when due, then the Issuer shall pay accrued interest on the unpaid principal amount in Japanese Yen for the actual number of days in the period from, but excluding, the due date to, and including, the date of the actual redemption of such Bond, computed by the method and the rate set forth in the first paragraph of this Condition 7. Such period, however, shall not exceed the date on which the Fiscal Agent (acting in its capacity of paying agent under the Business Regulations, hereinafter the "**Paying Agent**") allocates the necessary funds for the full redemption of the Bonds received by it among the relevant participants, which have opened their accounts with JASDEC to make book-entry transfer of the Bonds (*kikou kanyusha*) (the "**JASDEC Participants**"); provided that if such overdue allocation is not possible under the Business Regulations, such period shall not exceed 14 days commencing on the date on which the last public notice is given by the Fiscal Agent in accordance with the third paragraph of Condition 8 and Condition 13.

8 Payments

Payment of principal and interest of a Bond shall be made by the Paying Agent to the Bondholders, directly when such Bondholders are the JASDEC Participants, and in other cases through the relevant account management institution (*kouza kanri kikan*) (the "**Account Management Institution**") with which such Bondholders have opened their accounts to have the Bonds recorded in accordance with the Book-Entry Transfer Law and the Business Regulations. At the time when the Paying Agent allocates the necessary funds for the payment of principal of or interest on the Bonds received by it from the Issuer among the relevant JASDEC Participants and such amount of principal or interest is recorded under the relevant JASDEC Participants' accounts, the Issuer shall be released from its obligation in respect of such payment of principal of or interest on the Bonds.

If any due date for payment of principal or interest on the Bonds falls on a day which is not a day on which banks are open for business in Japan (the "**Business Day**"), the Bondholders shall not be entitled to payment of the amount due until the next following Business Day, and shall not be entitled to the payment of any further or additional interest or other payment in respect of such delay.

If the full amount of principal of or interest on the Bonds payable on any due date is received by the Paying Agent after such due date, the Fiscal Agent shall, in accordance with Condition 13, give public notice to the Bondholders of receipt of such amount, payment method and actual payment date as soon as practicable but not later than 14 days after receipt of such amount by the Paying Agent. If at the time of such receipt, either the method or the date of such payment or both is not determinable, the Fiscal Agent shall give public notice of such receipt and of the method and/or date of such payment to the extent the same has been determined. The Fiscal Agent will give, at a later date, public notice to the Bondholders of the method and/or the date of such payment, promptly upon determination thereof. All expenses incurred in connection with said public notice shall be borne by the Issuer.

9 Redemption and Purchase

(1) Final Redemption

Unless previously redeemed or purchased and cancelled as provided in Condition 9(2), Condition 9(3), Condition 9(4) or Condition 9(6), each Bond will be redeemed on 13 December 2023 at 100% of its principal amount.

(2) Redemption for Tax Reasons

If the Issuer is required to pay any Additional Amounts (as defined below) pursuant to Condition 10 on the next payment of principal or interest in respect of the Bonds, the Issuer may, but shall not be obliged to, on giving not less than 15 days nor more than 30 days' notice to the Bondholders, and upon expiry of such notice, redeem in whole, but not part of, the Bonds at the principal amount together with interest accrued to, and including, the date of redemption.

In the event of redemption to be made under this Condition 9(2), the Issuer shall deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating (i) that the Issuer is or will be obliged to pay such Additional Amounts pursuant to Condition 10, (ii) that it elects to redeem the Bonds pursuant to this Condition 9(2), (iii) the date for such redemption, and (iv) that the conditions precedent to the right of the Issuer so to redeem under this Condition 9(2) have occurred (together with details of facts relating thereto), and a written opinion of independent legal advisers of recognised standing confirming the matters set forth in items (i) and (iv) above.

Such certificate and opinion shall be delivered to the Fiscal Agent at least 30 days prior to the proposed redemption date, and the Issuer shall give public notice to the Bondholders of such matters at least 14 days prior to the proposed redemption date. Such proposed redemption date shall be a Business Day, and such delivery to the Fiscal Agent and public notice to the Bondholders shall be irrevocable.

Such certificate and opinion delivered by the Issuer to the Fiscal Agent pursuant to this Condition 9(2) shall be kept at the head office of the Fiscal Agent promptly after the Fiscal Agent receives them and up to the expiry of one year after the redemption date and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

All expenses necessary for the procedures under this Condition 9(2) shall be borne by the Issuer.

(3) Purchases

The Issuer, or any of its subsidiaries which falls within the category of the Controlled Juridical Person, Etc. as defined in Condition 2 and has a purpose to resell such Bonds to the Issuer, may at any time purchase the Bonds at any price in the open market or otherwise. Such Bonds may be held, re-issued, resold or, at the option of the Issuer, surrendered to the Fiscal Agent for cancellation.

(4) Cancellation

All Bonds which are redeemed will forthwith be cancelled pursuant to the Business Regulations. All Bonds so cancelled and the Bonds purchased and cancelled pursuant to Condition 9(3) above cannot be re-issued or resold.

(5) Condition to Redemption or Purchase

The Bonds may only be redeemed or purchased after the Issuer has obtained permission of the competent authority and/or resolution authority, as appropriate, provided that at the relevant time and in the relevant circumstances such permission is required, and subject to applicable law and regulation (including Directive 2013/36/EU (CRD IV), Regulation (EU) No 575/2013 (CRR) and Regulation (EU) No 806/2014 (SRMR), as may be amended or replaced from time to time, and any delegated or implementing acts, laws, regulations, regulatory technical standards, rules or guidelines once in effect in The Netherlands and as then in effect).

(6) Redemption Due to Loss Absorption Disqualification Event (Loss Absorption Disqualification Call)

If a Loss Absorption Disqualification Event has occurred and is continuing then the Issuer may, without any requirement for the consent or approval of the Bondholders, having given:

- (a) not less than 15 nor more than 30 days' notice to the Bondholders in accordance with Condition 13; and

- (b) not less than 15 days before the giving of the notice referred to in (a), notice to the Fiscal Agent,

(both of which notices shall be irrevocable) redeem, in accordance with these Conditions of Bonds, all but not some of the Bonds then outstanding at the principal amount together with interest accrued to, and including, the date of redemption, subject to Condition 9(5).

In the event of redemption to be made under this Condition 9(6), the Issuer shall deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating (i) that a Loss Absorption Disqualification Event has occurred, (ii) that it elects to redeem the Bonds pursuant to this Condition 9(6), (iii) the date for such redemption, and (iv) that the conditions precedent to the right of the Issuer so to redeem under this Condition 9(6) have occurred (together with details of facts relating thereto).

Such certificate shall be delivered to the Fiscal Agent at least 30 days prior to the proposed redemption date, and the Issuer shall give public notice to the Bondholders of such matters at least 14 days prior to the proposed redemption date. Such proposed redemption date shall be a Business Day, and such delivery to the Fiscal Agent and public notice to the Bondholders shall be irrevocable.

Such certificate delivered by the Issuer to the Fiscal Agent pursuant to this Condition 9(6) shall be kept at the head office of the Fiscal Agent promptly after the Fiscal Agent receives them and up to the expiry of one year after the redemption date and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

All expenses necessary for the procedures under this Condition 9(6) shall be borne by the Issuer.

As used in this Condition 9(6), a "**Loss Absorption Disqualification Event**" shall be deemed to have occurred if as a result of any amendment to, or change in, any Loss Absorption Regulation, or any change in the application or official interpretation of any Loss Absorption Regulation, in any such case becoming effective on or after the Issue Date of the Bonds (in each case other than an Excluded Change), the Bonds are or (in the opinion of the Issuer or the competent authority and/or resolution authority, as appropriate) are likely to be fully or partially excluded from the Issuer's and/or the Regulatory Group's minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments, in each case as such minimum requirements are applicable to the Issuer and/or the Regulatory Group and determined in accordance with, and pursuant to, the relevant Loss Absorption Regulations; provided that a Loss Absorption Disqualification Event shall not occur where the exclusion of the Bonds from the relevant minimum requirement(s) is due to the remaining maturity of the Bonds being less than any period prescribed by any applicable eligibility criteria for such minimum requirements under the relevant Loss Absorption Regulations effective with respect to the Issuer and/or the Regulatory Group on the Issue Date of the Bonds.

"**Excluded Change**" means any amendment to, or change in, the Loss Absorption Regulations to implement the proposals in the form originally announced by the European Commission on 23 November 2016 in order to further strengthen the resilience of EU banks (the "**Proposals**") or, if the Proposals have been amended as at the Issue Date of the Bonds, in the form as so amended as at such date.

"**Loss Absorption Regulations**" means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments of The Netherlands, the European Central Bank, the Dutch Central Bank or other competent authority, the resolution authority, the Financial Stability Board and/or of the European Parliament or of the Council of the European Union then in effect in The Netherlands and applicable to the Issuer and/or the Regulatory Group including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments adopted by the competent authority and/or the resolution authority from time to time (whether or not such regulations, requirements, guidelines, rules, standards or policies are applied generally or specifically to the Issuer or to the Regulatory Group (as defined below)).

For the purpose of these Conditions of Bonds, "**Regulatory Group**" means ING Groep N.V., its subsidiary undertakings, participations, participating interests and any subsidiary undertakings, participations or participating interests held (directly or indirectly) by any of its subsidiary undertakings from time to time and any other undertakings from time to time consolidated with ING Groep N.V. for regulatory purposes, in each case in accordance with the rules and guidance of the competent authority then in effect.

- (7) Except as otherwise provided in these Conditions of Bonds, the Issuer may not redeem the principal of the Bonds in whole or in part prior to the maturity date thereof.

10 Taxation

All payments by the Issuer of principal or interest in respect of the Bonds will be made without withholding of or deduction for, or on any account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of The Netherlands or any political subdivision thereof or by any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will pay such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts receivable by Bondholders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Bonds in the absence of such withholding or deduction, except that no Additional Amounts shall be payable in relation to any payment with respect to any Bond:

- (a) to, or to a third party on behalf of, a Bondholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bonds by reason of his having some connection with The Netherlands other than the mere holding of such Bonds; or
- (b) to, or to a third party on behalf of, a Bondholder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (c) to, or to a third party on behalf of, a Bondholder that is a partnership or a Bondholder that is not the sole beneficial owner of the Bonds or which holds the Bonds in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of Additional Amounts had each of the members of the partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment.

References in these Conditions of Bonds to the principal of or interest on the Bonds shall be deemed to include any Additional Amounts which may become payable pursuant to the foregoing provisions.

11 Prescription

The period of extinctive prescription shall be 10 years for the principal of the Bonds and 5 years for the interest on the Bonds.

12 Events of Default and Limited Remedies

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

- (a) the Issuer is declared bankrupt; or
- (b) an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of combination with another company, the terms of which merger, consolidation or combination (A) have the effect of the emerging or such other surviving company assuming all obligations contracted by the Issuer in connection with the Bonds or (B) have previously been approved by an Extraordinary Resolution (as defined in Condition 14) of the Bondholders;

then any Bondholder may, by written notice addressed to the Issuer and delivered to the Fiscal Agent at its head office (such notice shall be accompanied by the certificate (the "**Certificate**")) of the Bondholder giving such written notice certifying the holding of the relevant Bond and issued by JASDEC or the relevant Account Management Institution, effective upon the date of receipt thereof by the Fiscal Agent, declare the Bond held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at a price equal to 100% of the principal amount, together with accrued interest (if any) to, and including, the date of repayment, without presentment, demand, protest or other notice of any kind, provided that the right to declare Bonds due and payable shall terminate if the situation giving rise to it has been cured before the relevant notice has become effective, and subject to Condition 9(5). If default is made for more than 30 days in the payment of interest in respect of the Bonds, the sole remedy available to the Bondholder shall be to institute proceedings against the Issuer to demand specific performance for payment of the due but unpaid interest (*nakoming eisen*) but the Bondholder shall have no acceleration right or other remedies.

Notwithstanding the above provisions in this Condition 12, the exercise of the Dutch Bail-in Power by the relevant resolution authority with respect to the Bonds shall not constitute an Event of Default.

13 Public Notices

Notices to the Bondholders shall be valid if published in the Japanese Official Gazette (*kampo*), if possible, and in a daily Japanese newspaper published in both Tokyo and Osaka reporting on general affairs (which is expected to be the *Nihon Keizai Shimbun*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

The Issuer does not need to make direct notification to individual Bondholders. Such public notices to be given by the Issuer shall, upon the request and at the expense of the Issuer, be given by the Fiscal Agent on behalf of the Issuer.

14 Bondholders' Meetings

- (1) The Issuer shall convene a Bondholders' meeting to consider any matters which relate to the interests of Bondholders in the event: that Bondholders holding at least one tenth (1/10) of the aggregate principal amount of the Bonds then outstanding, acting either jointly or individually, so request in writing to the Fiscal Agent at its head office; provided that such Bondholders shall have presented to the Fiscal Agent the Certificates; or that the Issuer should deem it necessary to hold a Bondholders' meeting.

A Bondholders' meeting shall be held in Tokyo, Japan.

When a Bondholders' meeting is to be convened, the Issuer shall give public notice of the convocation of the Bondholders' meeting at least 21 days prior to the date of such meeting and give written notice to that effect at least 35 days prior to the date of such meeting to the Fiscal Agent; and ensure that the Fiscal Agent, on behalf of the Issuer, shall take the steps necessary for the convocation of the Bondholders' meeting and to expedite the proceedings thereof.

- (2) The Bondholders may exercise their vote by themselves at the relevant Bondholders' meeting, by proxy, or in writing pursuant to the rules established by the Issuer or the Fiscal Agent on behalf of the Issuer. At any Bondholders' meeting, each Bondholder shall have voting rights in proportion to the aggregate principal amount of the outstanding Bonds held by him; provided, however, that the Certificates shall have been presented to the Fiscal Agent at its head office, at least 7 days prior to the date set for such meeting and to the Issuer or the Fiscal Agent at such meeting, on the date thereof; and, provided, further, that the Bondholder shall not make an application for book-entry transfer or an application for obliteration of the Bonds unless he returns the Certificate so issued to JASDEC or the relevant Account Management Institution of such Bondholder, as the case may be.
- (3) Resolutions at such Bondholders' meeting shall be passed by a majority vote of the voting rights of the Bondholders present at such meeting; provided, however, that Extraordinary Resolution (as defined below) is required with respect to the following items:

- (a) a grace of payment, an exemption from liabilities resulting from a default, or settlement, to be effected with respect to all the Bonds (other than the matters provided for in (b) below);
- (b) a procedural act to be made with respect to all the Bonds, or all acts pertaining to bankruptcy or similar proceedings;
- (c) an appointment or removal of representative(s) of the Bondholders who will be authorised to make a decision on matters to be resolved at a Bondholders' meeting (provided each of such representative(s) shall hold one-thousandth (1/1000) or more of the aggregate principal amount of the outstanding Bonds) (the "**Representative(s) of Bondholders**") or an executor who will be authorised to carry out a resolution passed (the "**Executor**"), or an alternation to any matters entrusted to them; and
- (d) an approval of terms of a scheme of reconstruction, merger or amalgamation as described in Condition 12(b) or substitution of the Issuer at the Issuer's request.

"**Extraordinary Resolution**" means a resolution passed at a Bondholders' meeting by one-fifth (1/5) or more of the votes representing the aggregate principal amount of the Bonds then outstanding and two-thirds (2/3) or more of the votes of the Bondholders present at such meeting.

For the purposes of calculating the number of votes exercised at a Bondholders' meeting, the Bondholders who have exercised their votes by proxy or in writing or (in the event the Issuer permits the exercise of the voting rights by electronic method) by an electronic method shall be deemed to have attended and voted at such meeting.

- (4) The resolution passed pursuant to Condition 14(3) shall be binding on all the Bondholders whether present or not at such Bondholders' meeting to the extent permitted by the applicable Japanese law, and shall be carried out by the Representative(s) of Bondholders or Executor appointed by the Bondholders at the meeting pursuant to Condition 14(3)(c).
- (5) For the purpose of this Condition 14, the Bonds then held by the Issuer or any of its subsidiaries shall be disregarded and deemed not to be outstanding.
- (6) All expenses necessary for the procedures under this Condition 14 shall be borne by the Issuer.

15 **Registration Book**

The registration book for the Bonds shall be prepared and administered by the Fiscal Agent on behalf of the Issuer, and kept at the head office of the Fiscal Agent.

16 **Governing Law and Jurisdiction**

The Bonds are governed by, and shall be construed in accordance with, the laws of Japan.

Except otherwise provided in these Conditions of Bonds, the place of performance of obligations pertaining to the Bonds is Tokyo, Japan.

Any legal action or other court procedure against the Issuer arising from or relating to the Bonds or these Conditions of Bonds may be instituted in the Tokyo District Court.

The Issuer hereby appoints Representative in Japan of ING Wholesale Banking Tokyo as the authorised agent of the Issuer upon whom process and any judicial or other court documents may be served in any legal or other court procedural action arising from or relating to the Bonds or these Conditions of Bonds that may be instituted in Tokyo, Japan; and the Issuer hereby designates the address from time to time of ING Wholesale Banking Tokyo, currently at Meiji Yasuda Seimei Bldg. 8F, 2-1-1, Marunouchi, Chiyodaku, Tokyo 100-0005, Japan as the address for the purpose of accepting service of process and other court documents in Japan.

The Issuer agrees to take, from time to time and so long as any of the Bonds shall remain outstanding, any and all action (including the execution and filing of any and all documents and instruments) that may be

necessary to effect and to continue such appointment and designation in full force and effect. If at any time such agent shall not, for any reason, serve as such authorised agent, the Issuer shall immediately appoint, and it undertakes to take any and all action that may be necessary to effect the appointment of, a successor authorised agent in Tokyo, Japan. The Issuer shall promptly notify the Fiscal Agent of the appointment of such successor agent and give a public notice thereof to the Bondholders.

Nothing in this Condition 16 shall affect the right of the Bondholders to institute legal action against the Issuer in any court of competent jurisdiction under applicable laws or to serve process in any manner otherwise permitted by law.

17 Modifications and Amendments

To the fullest extent permitted by applicable law, certain modifications and amendments to these Conditions of Bonds may be made without the consent of any Bondholder, only for the purpose of curing any ambiguity, or of correcting or supplementing any defective provisions contained therein, adding covenants for the benefit of the Bondholders, removing, or expanding the exemptions in the transfer restrictions in Condition 2, surrendering rights or powers conferred on the Issuer, effecting succession or assumption as a result of a merger or similar transaction, or in any other manner which the Issuer may deem necessary and desirable and which will not materially adversely affect the interest of the Bondholders or the Fiscal Agent. Any such modifications or amendments shall be notified to the Bondholders and Fiscal Agent at the expense of the Issuer and in accordance with Condition 13 as soon as practicable thereafter.

18 Further Issues

The Issuer shall be at liberty from time to time without the consent of the Bondholders to create and issue further bonds (the "**Further Bonds**") having the same terms and conditions as the Bonds or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single series with the outstanding Bonds, subject to the Business Regulations. On and after the date of issue of the Further Bonds, provisions of these Conditions of Bonds shall be applied to the Further Bonds.

ING Groep N.V.

Japanese Yen TOKYO PRO-BOND Market Listed Bonds – Second Series (2018)

CONDITIONS OF BONDS

The below Conditions of Bonds shall apply to the issue of ING Groep N.V. Japanese Yen TOKYO PRO-BOND Market Listed Bonds – Second Series (2018) (the "**Bonds**") pursuant to lawful authorisation by ING Groep N.V. (the "**Issuer**").

1 Aggregate Principal Amount, Date of Issuance, Denominations and Form

- (1) The aggregate principal amount of the Bonds is ¥19,200,000,000.
- (2) The issue date of the Bonds is 13 December 2018 (the "**Issue Date**").
- (3) The Bonds are issued in the denomination of ¥100,000,000 each.
- (4) The Law Concerning Book-Entry Transfer of Corporate Bonds, Stocks, Etc. of Japan (Law No. 75, 2001, as amended) (the "**Book-Entry Transfer Law**") shall apply to the Bonds and the transfer of and other matters relating to the Bonds shall be dealt with in accordance with the Book-Entry Transfer Law and the business regulations and other rules relating to book-entry transfer of corporate bonds, etc. (collectively, the "**Business Regulations**") from time to time adopted by JASDEC (as defined in Condition 6).
- (5) The certificates for the Bonds (the "**Bond Certificates**") shall not be issued except in such exceptional cases as set forth in the Book-Entry Transfer Law where the holders of the Bonds (the "**Bondholders**") may make a request for the issue of Bond Certificates. In the event that the Bond Certificates are issued, all expenses incurred in connection with the issue of the Bond Certificates shall be borne by the Issuer, the Bond Certificates to be issued shall be only in bearer form with unmatured interest coupons and the Bondholders may not request that the Bond Certificates be exchanged for Bond Certificates in registered form or divided or consolidated.

If the Bond Certificates are issued, the manner of the calculation and payment of principal of and interest on the Bonds, the exercise of the rights under the Bonds by the Bondholders and the transfer of the Bonds, and all other matters in respect of the Bonds shall be subject to the then applicable Japanese laws and regulations and the then prevailing market practice in Japan. In the event of any inconsistency between the provisions of these Conditions of Bonds and the then applicable Japanese laws and regulations and the then prevailing market practice in Japan, such Japanese laws and regulations and market practice shall prevail.

2 Restriction of Transferability of Bonds

- (1) Subject to amendment and modification in accordance with Condition 17, the Bonds shall not be sold, transferred or otherwise disposed to any person other than Professional Investors, Etc. (*Tokutei Tousehika tou*), as defined in Article 2, paragraph 3, Item 2 (b) (2) of the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended, the "**FIEA**"), except for the transfer of the Bonds to the following:
 - (a) the Issuer or the Officer (meaning directors, company auditors, executive officers or persons equivalent thereto) thereof who holds shares or equity pertaining to voting rights exceeding 50% of all the voting rights in the Issuer which is calculated by excluding treasury shares or any non-voting rights shares (the "**Voting Rights Held by All the Shareholders, Etc.**" (*Sou Kabumushi Tou no Giketsuken*)) (as prescribed in Article 29-4, Paragraph 2 of the FIEA) of the Issuer under his/her own name or another person's name (the "**Specified Officer**" (*Tokutei Yakuin*)), or a juridical person (excluding the Issuer) whose shares or equity pertaining to

voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc., are held by the Specified Officer (the "**Controlled Juridical Person, Etc.**" (*Hi-Shihai Houjin Tou*)) including a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50% in total of the Voting Rights Held by All the Shareholders, Etc. are held by the Specified Officer and/or the Controlled Juridical Person, Etc. under its own name or another person's name (as prescribed in Article 11-2, Paragraph 1, Item 2 (c) of the Cabinet Office Ordinance on Definitions under Article 2 of the Financial Instruments and Exchange Act (MOF Ordinance No. 14 of 1993, as amended)); or

- (b) a company that holds shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc. of the Issuer in its own name or another person's name.

(2) Matters Notified to the Bondholders and Other Offerees

When (i) a solicitation of an offer to acquire the Bonds or (ii) an offer to sell or a solicitation of an offer to purchase the Bonds (collectively, "**Solicitation of the Bond Trade**") is made, the following matters shall be notified from the person who makes such Solicitation of the Bond Trade to the person to whom such Solicitation of the Bond Trade is made:

- (a) no securities registration statement (pursuant to Article 4, Paragraphs 1 through 3 of the FIEA) has been filed with respect to the Solicitation of the Bond Trade;
- (b) the Bonds fall, or will fall, under the Securities for Professional Investors (*Tokutei Toushika Muke Yukashoken*) (as defined in Article 4, Paragraph 3 of the FIEA);
- (c) any acquisition or purchase of the Bonds by such person pursuant to any Solicitation of the Bond Trade is conditional upon such person (i) entering into an agreement providing for the restriction on transfer of the Bonds as set forth in this Condition 2, (x) with each of the Issuer and the person making such Solicitation of the Bond Trade (in the case of a solicitation of an offer to acquire the Bonds to be newly issued), or (y) with the person making such Solicitation of the Bond Trade (in the case of an offer to sell or a solicitation of an offer to purchase the Bonds already issued), or (ii) agreeing to comply with the restriction on transfer of the Bonds as set forth in this Condition 2 (in the case of a solicitation of an offer to acquire the Bonds to be newly issued);
- (d) Article 4, paragraphs 3, 5 and 6 of the FIEA will be applicable to such certain solicitation, offers and other activities with respect to the Bonds as provided in Article 4, paragraph 2 of the FIEA;
- (e) the Specified Securities Information, Etc. (*Tokutei Shouken Tou Jouhou*) (as defined in Article 27-33 of the FIEA) with respect to the Bonds and the Issuer Information, Etc. (*Hakkosha Tou Jouhou*) (as defined in Article 27-34 of the FIEA) with respect to the Issuer have been or will be made public by way of such information being posted on the web-site maintained by the TOKYO PRO-BOND Market (<https://www.jpx.co.jp/equities/products/tpbm/index.html> or any successor website) in accordance with Articles 210 and 217 of the Special Regulations of Securities Listing Regulations Concerning Specified Listed Securities of the Tokyo Stock Exchange; and
- (f) the Issuer Information, Etc. will be provided directly to the Bondholders or made public pursuant to Article 27-32 of the FIEA.

3 Status of the Bonds

The Bonds are unsecured and unsubordinated obligations of the Issuer and rank *pari passu* among themselves and equally with all other unsecured and unsubordinated obligations of the Issuer from time to time outstanding, save as otherwise provided by law. No holder of Bonds shall be entitled to exercise any right of set-off, netting or counterclaim in respect of any amounts owed by the Issuer under or in

connection with the Bonds. The Bonds are intended to be included for purposes of minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments.

4 Recognition of Bail-in

(1) Agreement and Acknowledgement with Respect to the Exercise of Dutch Bail-in Power

Notwithstanding and to the exclusion of any other term of the Bonds or any other agreements, arrangements, or understandings between the Issuer and any Bondholder, by its acquisition of the Bonds, each Bondholder (which, for the purposes of this clause, includes each holder of a beneficial interest in the Bonds), acknowledges and accepts that the Amounts Due arising under these Bonds may be subject to the exercise of Dutch Bail-in Powers by the relevant Dutch resolution authority, and acknowledges, accepts, consents and agrees to be bound by:

- (a) the effect of the exercise of Dutch Bail-in Power by the relevant Dutch resolution authority, that may include and result in any of the following, or some combination thereof:
 - (i) the reduction of all, or a portion, of the Amounts Due;
 - (ii) the conversion of all, or a portion, of the Amounts Due on the Bonds into shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the Bondholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Bonds;
 - (iii) the cancellation of the Bonds;
 - (iv) the amendment or alteration of the maturity of the Bonds or amendment of the amount of interest payable on the Bonds, or the date on which the interest becomes payable, including by suspending payment for a temporary period;
- (b) the variation of the terms of the Bonds, if necessary, to give effect to the exercise of Dutch Bail-in Power by the relevant Dutch resolution authority.

(2) Definitions

- (a) For these purposes, the "**Amounts Due**" are the principal amount of or outstanding amount, together with any accrued but unpaid interest, due on the Bonds. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of Dutch Bail-in Power by the relevant Dutch resolution authority.
- (b) For these purposes, the "**Dutch Bail-in Power**" means any statutory write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in The Netherlands in effect and applicable in The Netherlands to the Issuer or other members of the Issuer's Group (as defined below), including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (including but not limited to Directive 2014/59/EU of the European Parliament and of the Council (the "**Bank Recovery and Resolution Directive**") and the provisions of Regulation (EU) No 806/2014 of the European Parliament and of the Council (the "**SRM Regulation**")) and/or within the context of a Dutch resolution regime under the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) and any amendments thereto, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person or may be expropriated (and a reference to the "**relevant Dutch resolution authority**" is to any authority with the ability to exercise a Dutch Bail-in Power and a reference to the "**the Issuer's Group**" is to ING Groep N.V. (or any successor entity) and ING Bank N.V. and their respective consolidated subsidiaries).

- (c) A reference to a "regulated entity" is to any entity eligible for resolution under the laws of The Netherlands.
- (3) **Payment of Interest and Other Outstanding Amounts Due**
- No repayment or payment of Amounts Due on the Bonds, will become due and payable or be paid after the exercise of any Dutch Bail-in Power by the relevant Dutch resolution authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.
- (4) **Event of Default**
- Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Dutch Bail-in Power by the relevant Dutch resolution authority with respect to the Issuer, nor the exercise of the Dutch Bail-in Power by the relevant Dutch resolution authority with respect to the Bonds will be an Event of Default.
- (5) **Notice to Bondholders**
- The Issuer shall notify the Fiscal Agent (as defined in Condition 5) and give a public notice to the Bondholders (including the beneficial owners) through the Fiscal Agent as soon as practicable of any exercise of the Dutch Bail-in Power with respect to the Bonds by the relevant Dutch resolution authority. Notwithstanding that the Issuer and/or the Fiscal Agent may be delayed in giving or fail to give any of the notices referred to above, such delay or failure shall not affect the validity and enforceability of the Dutch Bail-in Power.

5 Appointment of Fiscal Agent and Issuing and Paying Agent and Non-appointment of Commissioned Companies for Bondholders

- (1) Mizuho Bank, Ltd. (the "**Fiscal Agent**") acts as fiscal agent and issuing and paying agent of the Issuer in connection with the Bonds. The Fiscal Agent shall perform the duties and functions provided for in (i) these Conditions of Bonds, (ii) the Fiscal, Issuing and Paying Agency Agreement dated 7 December 2018 by and between the Issuer and the Fiscal Agent (the "**Fiscal Agency Agreement**") and (iii) the Business Regulations. The Fiscal Agent is acting solely as agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with the Bondholders. A copy of the Fiscal Agency Agreement, to which these Conditions of Bonds are attached, shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date and shall be made available for perusal or photocopying by any Bondholder during normal business hours. All expenses incurred for such photocopying shall be borne by the applicant therefor.
- (2) No commissioned companies for Bondholders are appointed in respect of the Bonds.
- (3) The Issuer reserves the right at any time to terminate the appointment of the Fiscal Agent and to appoint a replacement fiscal agent by giving prior public notice thereof to the Bondholders; provided the replacement fiscal agent shall be qualified to act as issuing agent and paying agent pursuant to the Business Regulations and the appointment of the Fiscal Agent shall continue until the replacement fiscal agent is effectively appointed.
- (4) The Issuer shall, without delay, appoint a replacement fiscal agent (provided that the replacement fiscal agent shall be qualified to act as issuing agent and paying agent pursuant to the Business Regulations) and give public notice in accordance with Condition 13 to that effect to the Bondholders if JASDEC notifies the Issuer that the Fiscal Agent will be disqualified from a designated issuing agent or paying agent.

6 Book-Entry Transfer Institution for the Bonds

Japan Securities Depository Center, Incorporated ("**JASDEC**") acts as book-entry transfer institution (*furikae kikan*) in respect of the Bonds under the Book-Entry Transfer Law.

In these Conditions of Bonds, all references to JASDEC shall be deemed to include any successor book-entry transfer institution as designated by a competent minister pursuant to the Book-Entry Transfer Law.

7 Interest

The Bonds bear interest at the rate of 1.169% per annum of their principal amount for the period from, and including, 14 December 2018 to, and including, 13 December 2028, payable in Japanese Yen semi-annually in arrears on 13 June and 13 December of each year in respect of the half year period to and including each such interest payment date. Whenever it is necessary to compute an amount of interest on the Bonds for a period other than a half year, such interest shall be calculated on the basis of the actual number of calendar days in a 365-day year.

The total amount of interest payable to each Bondholder shall be calculated in accordance with the Business Regulations.

The Bonds shall cease to bear interest after the date on which they become due for redemption; provided, however, that should the Issuer fail to redeem any of the Bonds when due, then the Issuer shall pay accrued interest on the unpaid principal amount in Japanese Yen for the actual number of days in the period from, but excluding, the due date to, and including, the date of the actual redemption of such Bond, computed by the method and the rate set forth in the first paragraph of this Condition 7. Such period, however, shall not exceed the date on which the Fiscal Agent (acting in its capacity of paying agent under the Business Regulations, hereinafter the "**Paying Agent**") allocates the necessary funds for the full redemption of the Bonds received by it among the relevant participants, which have opened their accounts with JASDEC to make book-entry transfer of the Bonds (*kikou kanyusha*) (the "**JASDEC Participants**"); provided that if such overdue allocation is not possible under the Business Regulations, such period shall not exceed 14 days commencing on the date on which the last public notice is given by the Fiscal Agent in accordance with the third paragraph of Condition 8 and Condition 13.

8 Payments

Payment of principal and interest of a Bond shall be made by the Paying Agent to the Bondholders, directly when such Bondholders are the JASDEC Participants, and in other cases through the relevant account management institution (*kouza kanri kikan*) (the "**Account Management Institution**") with which such Bondholders have opened their accounts to have the Bonds recorded in accordance with the Book-Entry Transfer Law and the Business Regulations. At the time when the Paying Agent allocates the necessary funds for the payment of principal of or interest on the Bonds received by it from the Issuer among the relevant JASDEC Participants and such amount of principal or interest is recorded under the relevant JASDEC Participants' accounts, the Issuer shall be released from its obligation in respect of such payment of principal of or interest on the Bonds.

If any due date for payment of principal or interest on the Bonds falls on a day which is not a day on which banks are open for business in Japan (the "**Business Day**"), the Bondholders shall not be entitled to payment of the amount due until the next following Business Day, and shall not be entitled to the payment of any further or additional interest or other payment in respect of such delay.

If the full amount of principal of or interest on the Bonds payable on any due date is received by the Paying Agent after such due date, the Fiscal Agent shall, in accordance with Condition 13, give public notice to the Bondholders of receipt of such amount, payment method and actual payment date as soon as practicable but not later than 14 days after receipt of such amount by the Paying Agent. If at the time of such receipt, either the method or the date of such payment or both is not determinable, the Fiscal Agent shall give public notice of such receipt and of the method and/or date of such payment to the extent the same has been determined. The Fiscal Agent will give, at a later date, public notice to the Bondholders of the method and/or the date of such payment, promptly upon determination thereof. All expenses incurred in connection with said public notice shall be borne by the Issuer.

9 Redemption and Purchase

(1) Final Redemption

Unless previously redeemed or purchased and cancelled as provided in Condition 9(2), Condition 9(3), Condition 9(4) or Condition 9(6), each Bond will be redeemed on 13 December 2028 at 100% of its principal amount.

(2) Redemption for Tax Reasons

If the Issuer is required to pay any Additional Amounts (as defined below) pursuant to Condition 10 on the next payment of principal or interest in respect of the Bonds, the Issuer may, but shall not be obliged to, on giving not less than 15 days nor more than 30 days' notice to the Bondholders, and upon expiry of such notice, redeem in whole, but not part of, the Bonds at the principal amount together with interest accrued to, and including, the date of redemption.

In the event of redemption to be made under this Condition 9(2), the Issuer shall deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating (i) that the Issuer is or will be obliged to pay such Additional Amounts pursuant to Condition 10, (ii) that it elects to redeem the Bonds pursuant to this Condition 9(2), (iii) the date for such redemption, and (iv) that the conditions precedent to the right of the Issuer so to redeem under this Condition 9(2) have occurred (together with details of facts relating thereto), and a written opinion of independent legal advisers of recognised standing confirming the matters set forth in items (i) and (iv) above.

Such certificate and opinion shall be delivered to the Fiscal Agent at least 30 days prior to the proposed redemption date, and the Issuer shall give public notice to the Bondholders of such matters at least 14 days prior to the proposed redemption date. Such proposed redemption date shall be a Business Day, and such delivery to the Fiscal Agent and public notice to the Bondholders shall be irrevocable.

Such certificate and opinion delivered by the Issuer to the Fiscal Agent pursuant to this Condition 9(2) shall be kept at the head office of the Fiscal Agent promptly after the Fiscal Agent receives them and up to the expiry of one year after the redemption date and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

All expenses necessary for the procedures under this Condition 9(2) shall be borne by the Issuer.

(3) Purchases

The Issuer, or any of its subsidiaries which falls within the category of the Controlled Juridical Person, Etc. as defined in Condition 2 and has a purpose to resell such Bonds to the Issuer, may at any time purchase the Bonds at any price in the open market or otherwise. Such Bonds may be held, re-issued, resold or, at the option of the Issuer, surrendered to the Fiscal Agent for cancellation.

(4) Cancellation

All Bonds which are redeemed will forthwith be cancelled pursuant to the Business Regulations. All Bonds so cancelled and the Bonds purchased and cancelled pursuant to Condition 9(3) above cannot be re-issued or resold.

(5) Condition to Redemption or Purchase

The Bonds may only be redeemed or purchased after the Issuer has obtained permission of the competent authority and/or resolution authority, as appropriate, provided that at the relevant time and in the relevant circumstances such permission is required, and subject to applicable law and regulation (including Directive 2013/36/EU (CRD IV), Regulation (EU) No 575/2013 (CRR) and Regulation (EU) No 806/2014 (SRMR), as may be amended or replaced from time to time, and any delegated or implementing acts, laws, regulations, regulatory technical standards, rules or guidelines once in effect in The Netherlands and as then in effect).

(6) Redemption Due to Loss Absorption Disqualification Event (Loss Absorption Disqualification Call)

If a Loss Absorption Disqualification Event has occurred and is continuing then the Issuer may, without any requirement for the consent or approval of the Bondholders, having given:

- (a) not less than 15 nor more than 30 days' notice to the Bondholders in accordance with Condition 13; and

- (b) not less than 15 days before the giving of the notice referred to in (a), notice to the Fiscal Agent,

(both of which notices shall be irrevocable) redeem, in accordance with these Conditions of Bonds, all but not some of the Bonds then outstanding at the principal amount together with interest accrued to, and including, the date of redemption, subject to Condition 9(5).

In the event of redemption to be made under this Condition 9(6), the Issuer shall deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating (i) that a Loss Absorption Disqualification Event has occurred, (ii) that it elects to redeem the Bonds pursuant to this Condition 9(6), (iii) the date for such redemption, and (iv) that the conditions precedent to the right of the Issuer so to redeem under this Condition 9(6) have occurred (together with details of facts relating thereto).

Such certificate shall be delivered to the Fiscal Agent at least 30 days prior to the proposed redemption date, and the Issuer shall give public notice to the Bondholders of such matters at least 14 days prior to the proposed redemption date. Such proposed redemption date shall be a Business Day, and such delivery to the Fiscal Agent and public notice to the Bondholders shall be irrevocable.

Such certificate delivered by the Issuer to the Fiscal Agent pursuant to this Condition 9(6) shall be kept at the head office of the Fiscal Agent promptly after the Fiscal Agent receives them and up to the expiry of one year after the redemption date and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

All expenses necessary for the procedures under this Condition 9(6) shall be borne by the Issuer.

As used in this Condition 9(6), a "**Loss Absorption Disqualification Event**" shall be deemed to have occurred if as a result of any amendment to, or change in, any Loss Absorption Regulation, or any change in the application or official interpretation of any Loss Absorption Regulation, in any such case becoming effective on or after the Issue Date of the Bonds (in each case other than an Excluded Change), the Bonds are or (in the opinion of the Issuer or the competent authority and/or resolution authority, as appropriate) are likely to be fully or partially excluded from the Issuer's and/or the Regulatory Group's minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments, in each case as such minimum requirements are applicable to the Issuer and/or the Regulatory Group and determined in accordance with, and pursuant to, the relevant Loss Absorption Regulations; provided that a Loss Absorption Disqualification Event shall not occur where the exclusion of the Bonds from the relevant minimum requirement(s) is due to the remaining maturity of the Bonds being less than any period prescribed by any applicable eligibility criteria for such minimum requirements under the relevant Loss Absorption Regulations effective with respect to the Issuer and/or the Regulatory Group on the Issue Date of the Bonds.

"**Excluded Change**" means any amendment to, or change in, the Loss Absorption Regulations to implement the proposals in the form originally announced by the European Commission on 23 November 2016 in order to further strengthen the resilience of EU banks (the "**Proposals**") or, if the Proposals have been amended as at the Issue Date of the Bonds, in the form as so amended as at such date.

"**Loss Absorption Regulations**" means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments of The Netherlands, the European Central Bank, the Dutch Central Bank or other competent authority, the resolution authority, the Financial Stability Board and/or of the European Parliament or of the Council of the European Union then in effect in The Netherlands and applicable to the Issuer and/or the Regulatory Group including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments adopted by the competent authority and/or the resolution authority from time to time (whether or not such regulations, requirements, guidelines, rules, standards or policies are applied generally or specifically to the Issuer or to the Regulatory Group (as defined below)).

For the purpose of these Conditions of Bonds, "**Regulatory Group**" means ING Groep N.V., its subsidiary undertakings, participations, participating interests and any subsidiary undertakings, participations or participating interests held (directly or indirectly) by any of its subsidiary undertakings from time to time and any other undertakings from time to time consolidated with ING Groep N.V. for regulatory purposes, in each case in accordance with the rules and guidance of the competent authority then in effect.

- (7) Except as otherwise provided in these Conditions of Bonds, the Issuer may not redeem the principal of the Bonds in whole or in part prior to the maturity date thereof.

10 Taxation

All payments by the Issuer of principal or interest in respect of the Bonds will be made without withholding of or deduction for, or on any account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of The Netherlands or any political subdivision thereof or by any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will pay such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts receivable by Bondholders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Bonds in the absence of such withholding or deduction, except that no Additional Amounts shall be payable in relation to any payment with respect to any Bond:

- (a) to, or to a third party on behalf of, a Bondholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bonds by reason of his having some connection with The Netherlands other than the mere holding of such Bonds; or
- (b) to, or to a third party on behalf of, a Bondholder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (c) to, or to a third party on behalf of, a Bondholder that is a partnership or a Bondholder that is not the sole beneficial owner of the Bonds or which holds the Bonds in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of Additional Amounts had each of the members of the partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment.

References in these Conditions of Bonds to the principal of or interest on the Bonds shall be deemed to include any Additional Amounts which may become payable pursuant to the foregoing provisions.

11 Prescription

The period of extinctive prescription shall be 10 years for the principal of the Bonds and 5 years for the interest on the Bonds.

12 Events of Default and Limited Remedies

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

- (a) the Issuer is declared bankrupt; or
- (b) an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of combination with another company, the terms of which merger, consolidation or combination (A) have the effect of the emerging or such other surviving company assuming all obligations contracted by the Issuer in connection with the Bonds or (B) have previously been approved by an Extraordinary Resolution (as defined in Condition 14) of the Bondholders;

then any Bondholder may, by written notice addressed to the Issuer and delivered to the Fiscal Agent at its head office (such notice shall be accompanied by the certificate (the "**Certificate**") of the Bondholder giving such written notice certifying the holding of the relevant Bond and issued by JASDEC or the relevant Account Management Institution, effective upon the date of receipt thereof by the Fiscal Agent, declare the Bond held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at a price equal to 100% of the principal amount, together with accrued interest (if any) to, and including, the date of repayment, without presentment, demand, protest or other notice of any kind, provided that the right to declare Bonds due and payable shall terminate if the situation giving rise to it has been cured before the relevant notice has become effective, and subject to Condition 9(5). If default is made for more than 30 days in the payment of interest in respect of the Bonds, the sole remedy available to the Bondholder shall be to institute proceedings against the Issuer to demand specific performance for payment of the due but unpaid interest (*nakoming eisen*) but the Bondholder shall have no acceleration right or other remedies.

Notwithstanding the above provisions in this Condition 12, the exercise of the Dutch Bail-in Power by the relevant resolution authority with respect to the Bonds shall not constitute an Event of Default.

13 Public Notices

Notices to the Bondholders shall be valid if published in the Japanese Official Gazette (*kampo*), if possible, and in a daily Japanese newspaper published in both Tokyo and Osaka reporting on general affairs (which is expected to be the *Nihon Keizai Shimbun*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

The Issuer does not need to make direct notification to individual Bondholders. Such public notices to be given by the Issuer shall, upon the request and at the expense of the Issuer, be given by the Fiscal Agent on behalf of the Issuer.

14 Bondholders' Meetings

- (1) The Issuer shall convene a Bondholders' meeting to consider any matters which relate to the interests of Bondholders in the event: that Bondholders holding at least one tenth (1/10) of the aggregate principal amount of the Bonds then outstanding, acting either jointly or individually, so request in writing to the Fiscal Agent at its head office; provided that such Bondholders shall have presented to the Fiscal Agent the Certificates; or that the Issuer should deem it necessary to hold a Bondholders' meeting.

A Bondholders' meeting shall be held in Tokyo, Japan.

When a Bondholders' meeting is to be convened, the Issuer shall give public notice of the convocation of the Bondholders' meeting at least 21 days prior to the date of such meeting and give written notice to that effect at least 35 days prior to the date of such meeting to the Fiscal Agent; and ensure that the Fiscal Agent, on behalf of the Issuer, shall take the steps necessary for the convocation of the Bondholders' meeting and to expedite the proceedings thereof.

- (2) The Bondholders may exercise their vote by themselves at the relevant Bondholders' meeting, by proxy, or in writing pursuant to the rules established by the Issuer or the Fiscal Agent on behalf of the Issuer. At any Bondholders' meeting, each Bondholder shall have voting rights in proportion to the aggregate principal amount of the outstanding Bonds held by him; provided, however, that the Certificates shall have been presented to the Fiscal Agent at its head office, at least 7 days prior to the date set for such meeting and to the Issuer or the Fiscal Agent at such meeting, on the date thereof; and, provided, further, that the Bondholder shall not make an application for book-entry transfer or an application for obliteration of the Bonds unless he returns the Certificate so issued to JASDEC or the relevant Account Management Institution of such Bondholder, as the case may be.
- (3) Resolutions at such Bondholders' meeting shall be passed by a majority vote of the voting rights of the Bondholders present at such meeting; provided, however, that Extraordinary Resolution (as defined below) is required with respect to the following items:

- (a) a grace of payment, an exemption from liabilities resulting from a default, or settlement, to be effected with respect to all the Bonds (other than the matters provided for in (b) below);
- (b) a procedural act to be made with respect to all the Bonds, or all acts pertaining to bankruptcy or similar proceedings;
- (c) an appointment or removal of representative(s) of the Bondholders who will be authorised to make a decision on matters to be resolved at a Bondholders' meeting (provided each of such representative(s) shall hold one-thousandth (1/1000) or more of the aggregate principal amount of the outstanding Bonds) (the "**Representative(s) of Bondholders**") or an executor who will be authorised to carry out a resolution passed (the "**Executor**"), or an alternation to any matters entrusted to them; and
- (d) an approval of terms of a scheme of reconstruction, merger or amalgamation as described in Condition 12(b) or substitution of the Issuer at the Issuer's request.

"**Extraordinary Resolution**" means a resolution passed at a Bondholders' meeting by one-fifth (1/5) or more of the votes representing the aggregate principal amount of the Bonds then outstanding and two-thirds (2/3) or more of the votes of the Bondholders present at such meeting.

For the purposes of calculating the number of votes exercised at a Bondholders' meeting, the Bondholders who have exercised their votes by proxy or in writing or (in the event the Issuer permits the exercise of the voting rights by electronic method) by an electronic method shall be deemed to have attended and voted at such meeting.

- (4) The resolution passed pursuant to Condition 14(3) shall be binding on all the Bondholders whether present or not at such Bondholders' meeting to the extent permitted by the applicable Japanese law, and shall be carried out by the Representative(s) of Bondholders or Executor appointed by the Bondholders at the meeting pursuant to Condition 14(3)(c).
- (5) For the purpose of this Condition 14, the Bonds then held by the Issuer or any of its subsidiaries shall be disregarded and deemed not to be outstanding.
- (6) All expenses necessary for the procedures under this Condition 14 shall be borne by the Issuer.

15 **Registration Book**

The registration book for the Bonds shall be prepared and administered by the Fiscal Agent on behalf of the Issuer, and kept at the head office of the Fiscal Agent.

16 **Governing Law and Jurisdiction**

The Bonds are governed by, and shall be construed in accordance with, the laws of Japan.

Except otherwise provided in these Conditions of Bonds, the place of performance of obligations pertaining to the Bonds is Tokyo, Japan.

Any legal action or other court procedure against the Issuer arising from or relating to the Bonds or these Conditions of Bonds may be instituted in the Tokyo District Court.

The Issuer hereby appoints Representative in Japan of ING Wholesale Banking Tokyo as the authorised agent of the Issuer upon whom process and any judicial or other court documents may be served in any legal or other court procedural action arising from or relating to the Bonds or these Conditions of Bonds that may be instituted in Tokyo, Japan; and the Issuer hereby designates the address from time to time of ING Wholesale Banking Tokyo, currently at Meiji Yasuda Seimei Bldg. 8F, 2-1-1, Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan as the address for the purpose of accepting service of process and other court documents in Japan.

The Issuer agrees to take, from time to time and so long as any of the Bonds shall remain outstanding, any and all action (including the execution and filing of any and all documents and instruments) that may be

necessary to effect and to continue such appointment and designation in full force and effect. If at any time such agent shall not, for any reason, serve as such authorised agent, the Issuer shall immediately appoint, and it undertakes to take any and all action that may be necessary to effect the appointment of, a successor authorised agent in Tokyo, Japan. The Issuer shall promptly notify the Fiscal Agent of the appointment of such successor agent and give a public notice thereof to the Bondholders.

Nothing in this Condition 16 shall affect the right of the Bondholders to institute legal action against the Issuer in any court of competent jurisdiction under applicable laws or to serve process in any manner otherwise permitted by law.

17 Modifications and Amendments

To the fullest extent permitted by applicable law, certain modifications and amendments to these Conditions of Bonds may be made without the consent of any Bondholder, only for the purpose of curing any ambiguity, or of correcting or supplementing any defective provisions contained therein, adding covenants for the benefit of the Bondholders, removing, or expanding the exemptions in the transfer restrictions in Condition 2, surrendering rights or powers conferred on the Issuer, effecting succession or assumption as a result of a merger or similar transaction, or in any other manner which the Issuer may deem necessary and desirable and which will not materially adversely affect the interest of the Bondholders or the Fiscal Agent. Any such modifications or amendments shall be notified to the Bondholders and Fiscal Agent at the expense of the Issuer and in accordance with Condition 13 as soon as practicable thereafter.

18 Further Issues

The Issuer shall be at liberty from time to time without the consent of the Bondholders to create and issue further bonds (the "**Further Bonds**") having the same terms and conditions as the Bonds or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single series with the outstanding Bonds, subject to the Business Regulations. On and after the date of issue of the Further Bonds, provisions of these Conditions of Bonds shall be applied to the Further Bonds.

ING Bank N.V.

Japanese Yen TOKYO PRO-BOND Market Listed Bonds – Fifth Series (2018)

CONDITIONS OF BONDS

The below Conditions of Bonds shall apply to the issue of ING Bank N.V. Japanese Yen TOKYO PRO-BOND Market Listed Bonds – Fifth Series (2018) (the "**Bonds**") pursuant to lawful authorisation by ING Bank N.V. (the "**Issuer**").

1 Aggregate Principal Amount, Date of Issuance, Denominations and Form

- (1) The aggregate principal amount of the Bonds is ¥8,700,000,000.
- (2) The issue date of the Bonds is 13 December 2018 (the "**Issue Date**").
- (3) The Bonds are issued in the denomination of ¥100,000,000 each.
- (4) The Law Concerning Book-Entry Transfer of Corporate Bonds, Stocks, Etc. of Japan (Law No. 75, 2001, as amended) (the "**Book-Entry Transfer Law**") shall apply to the Bonds and the transfer of and other matters relating to the Bonds shall be dealt with in accordance with the Book-Entry Transfer Law and the business regulations and other rules relating to book-entry transfer of corporate bonds, etc. (collectively, the "**Business Regulations**") from time to time adopted by JASDEC (as defined in Condition 6).
- (5) The certificates for the Bonds (the "**Bond Certificates**") shall not be issued except in such exceptional cases as set forth in the Book-Entry Transfer Law where the holders of the Bonds (the "**Bondholders**") may make a request for the issue of Bond Certificates. In the event that the Bond Certificates are issued, all expenses incurred in connection with the issue of the Bond Certificates shall be borne by the Issuer, the Bond Certificates to be issued shall be only in bearer form with unmatured interest coupons and the Bondholders may not request that the Bond Certificates be exchanged for Bond Certificates in registered form or divided or consolidated.

If the Bond Certificates are issued, the manner of the calculation and payment of principal of and interest on the Bonds, the exercise of the rights under the Bonds by the Bondholders and the transfer of the Bonds, and all other matters in respect of the Bonds shall be subject to the then applicable Japanese laws and regulations and the then prevailing market practice in Japan. In the event of any inconsistency between the provisions of these Conditions of Bonds and the then applicable Japanese laws and regulations and the then prevailing market practice in Japan, such Japanese laws and regulations and market practice shall prevail.

2 Restriction of Transferability of Bonds

- (1) Subject to amendment and modification in accordance with Condition 17, the Bonds shall not be sold, transferred or otherwise disposed to any person other than Professional Investors, Etc. (*Tokutei Tousehika tou*), as defined in Article 2, paragraph 3, Item 2 (b) (2) of the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended, the "**FIEA**"), except for the transfer of the Bonds to the following:
 - (a) the Issuer or the Officer (meaning directors, company auditors, executive officers or persons equivalent thereto) thereof who holds shares or equity pertaining to voting rights exceeding 50% of all the voting rights in the Issuer which is calculated by excluding treasury shares or any non-voting rights shares (the "**Voting Rights Held by All the Shareholders, Etc.**" (*Sou Kabunushi Tou no Giketsuken*)) (as prescribed in Article 29-4, Paragraph 2 of the FIEA) of the Issuer under his/her own name or another person's name (the "**Specified Officer**" (*Tokutei Yakuin*)), or a juridical person (excluding the Issuer) whose shares or equity pertaining to

voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc., are held by the Specified Officer (the "**Controlled Juridical Person, Etc.**" (*Hi-Shihai Houjin Tou*)) including a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50% in total of the Voting Rights Held by All the Shareholders, Etc. are held by the Specified Officer and/or the Controlled Juridical Person, Etc. under its own name or another person's name (as prescribed in Article 11-2, Paragraph 1, Item 2 (c) of the Cabinet Office Ordinance on Definitions under Article 2 of the Financial Instruments and Exchange Act (MOF Ordinance No. 14 of 1993, as amended)); or

- (b) a company that holds shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc. of the Issuer in its own name or another person's name.

(2) Matters Notified to the Bondholders and Other Offerees

When (i) a solicitation of an offer to acquire the Bonds or (ii) an offer to sell or a solicitation of an offer to purchase the Bonds (collectively, "**Solicitation of the Bond Trade**") is made, the following matters shall be notified from the person who makes such Solicitation of the Bond Trade to the person to whom such Solicitation of the Bond Trade is made:

- (a) no securities registration statement (pursuant to Article 4, Paragraphs 1 through 3 of the FIEA) has been filed with respect to the Solicitation of the Bond Trade;
- (b) the Bonds fall, or will fall, under the Securities for Professional Investors (*Tokutei Toushika Muke Yukashoken*) (as defined in Article 4, Paragraph 3 of the FIEA);
- (c) any acquisition or purchase of the Bonds by such person pursuant to any Solicitation of the Bond Trade is conditional upon such person (i) entering into an agreement providing for the restriction on transfer of the Bonds as set forth in this Condition 2, (x) with each of the Issuer and the person making such Solicitation of the Bond Trade (in the case of a solicitation of an offer to acquire the Bonds to be newly issued), or (y) with the person making such Solicitation of the Bond Trade (in the case of an offer to sell or a solicitation of an offer to purchase the Bonds already issued), or (ii) agreeing to comply with the restriction on transfer of the Bonds as set forth in this Condition 2 (in the case of a solicitation of an offer to acquire the Bonds to be newly issued);
- (d) Article 4, paragraphs 3, 5 and 6 of the FIEA will be applicable to such certain solicitation, offers and other activities with respect to the Bonds as provided in Article 4, paragraph 2 of the FIEA;
- (e) the Specified Securities Information, Etc. (*Tokutei Shouken Tou Jouhou*) (as defined in Article 27-33 of the FIEA) with respect to the Bonds and the Issuer Information, Etc. (*Hakkosha Tou Jouhou*) (as defined in Article 27-34 of the FIEA) with respect to the Issuer have been or will be made public by way of such information being posted on the web-site maintained by the TOKYO PRO-BOND Market (<https://www.jpx.co.jp/equities/products/tpbm/index.html> or any successor website) in accordance with Articles 210 and 217 of the Special Regulations of Securities Listing Regulations Concerning Specified Listed Securities of the Tokyo Stock Exchange; and
- (f) the Issuer Information, Etc. will be provided directly to the Bondholders or made public pursuant to Article 27-32 of the FIEA.

3 Status of the Bonds

The Bonds are unsecured and unsubordinated obligations of the Issuer and rank *pari passu* among themselves and equally with all other unsecured and unsubordinated obligations of the Issuer from time to time outstanding, save as otherwise provided by law. The Bonds are not intended to be included for purposes of minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments.

4 Recognition of Bail-in

(1) Agreement and Acknowledgement with Respect to the Exercise of Dutch Bail-in Power

Notwithstanding and to the exclusion of any other term of the Bonds or any other agreements, arrangements, or understandings between the Issuer and any Bondholder, by its acquisition of the Bonds, each Bondholder (which, for the purposes of this clause, includes each holder of a beneficial interest in the Bonds), acknowledges and accepts that the Amounts Due arising under these Bonds may be subject to the exercise of Dutch Bail-in Powers by the relevant Dutch resolution authority, and acknowledges, accepts, consents and agrees to be bound by:

- (a) the effect of the exercise of Dutch Bail-in Power by the relevant Dutch resolution authority, that may include and result in any of the following, or some combination thereof:
 - (i) the reduction of all, or a portion, of the Amounts Due;
 - (ii) the conversion of all, or a portion, of the Amounts Due on the Bonds into shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the Bondholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Bonds;
 - (iii) the cancellation of the Bonds;
 - (iv) the amendment or alteration of the maturity of the Bonds or amendment of the amount of interest payable on the Bonds, or the date on which the interest becomes payable, including by suspending payment for a temporary period;
- (b) the variation of the terms of the Bonds, if necessary, to give effect to the exercise of Dutch Bail-in Power by the relevant Dutch resolution authority.

(2) Definitions

- (a) For these purposes, the "**Amounts Due**" are the principal amount of or outstanding amount, together with any accrued but unpaid interest, due on the Bonds. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of Dutch Bail-in Power by the relevant Dutch resolution authority.
- (b) For these purposes, the "**Dutch Bail-in Power**" means any statutory write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in The Netherlands in effect and applicable in The Netherlands to the Issuer or other members of the Issuer's Group (as defined below), including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (including but not limited to Directive 2014/59/EU of the European Parliament and of the Council (the "**Bank Recovery and Resolution Directive**") and the provisions of Regulation (EU) No 806/2014 of the European Parliament and of the Council (the "**SRM Regulation**")) and/or within the context of a Dutch resolution regime under the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) and any amendments thereto, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person or may be expropriated (and a reference to the "**relevant Dutch resolution authority**" is to any authority with the ability to exercise a Dutch Bail-in Power and a reference to the "**the Issuer's Group**" is to ING Groep N.V. (or any successor entity) and ING Bank N.V. and their respective consolidated subsidiaries).
- (c) A reference to a "regulated entity" is to any entity eligible for resolution under the laws of The Netherlands.

(3) Payment of Interest and Other Outstanding Amounts Due

No repayment or payment of Amounts Due on the Bonds, will become due and payable or be paid after the exercise of any Dutch Bail-in Power by the relevant Dutch resolution authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

(4) Event of Default

Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Dutch Bail-in Power by the relevant Dutch resolution authority with respect to the Issuer, nor the exercise of the Dutch Bail-in Power by the relevant Dutch resolution authority with respect to the Bonds will be an Event of Default.

(5) Notice to Bondholders

The Issuer shall notify the Fiscal Agent (as defined in Condition 5) and give a public notice to the Bondholders (including the beneficial owners) through the Fiscal Agent as soon as practicable of any exercise of the Dutch Bail-in Power with respect to the Bonds by the relevant Dutch resolution authority. Notwithstanding that the Issuer and/or the Fiscal Agent may be delayed in giving or fail to give any of the notices referred to above, such delay or failure shall not affect the validity and enforceability of the Dutch Bail-in Power.

5 Appointment of Fiscal Agent and Issuing and Paying Agent and Non-appointment of Commissioned Companies for Bondholders

(1) Mizuho Bank, Ltd. (the "**Fiscal Agent**") acts as fiscal agent and issuing and paying agent of the Issuer in connection with the Bonds. The Fiscal Agent shall perform the duties and functions provided for in (i) these Conditions of Bonds, (ii) the Fiscal, Issuing and Paying Agency Agreement dated 7 December 2018 by and between the Issuer and the Fiscal Agent (the "**Fiscal Agency Agreement**") and (iii) the Business Regulations. The Fiscal Agent is acting solely as agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with the Bondholders. A copy of the Fiscal Agency Agreement, to which these Conditions of Bonds are attached, shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date and shall be made available for perusal or photocopying by any Bondholder during normal business hours. All expenses incurred for such photocopying shall be borne by the applicant therefor.

(2) No commissioned companies for Bondholders are appointed in respect of the Bonds.

(3) The Issuer reserves the right at any time to terminate the appointment of the Fiscal Agent and to appoint a replacement fiscal agent by giving prior public notice thereof to the Bondholders; provided the replacement fiscal agent shall be qualified to act as issuing agent and paying agent pursuant to the Business Regulations and the appointment of the Fiscal Agent shall continue until the replacement fiscal agent is effectively appointed.

(4) The Issuer shall, without delay, appoint a replacement fiscal agent (provided that the replacement fiscal agent shall be qualified to act as issuing agent and paying agent pursuant to the Business Regulations) and give public notice in accordance with Condition 13 to that effect to the Bondholders if JASDEC notifies the Issuer that the Fiscal Agent will be disqualified from a designated issuing agent or paying agent.

6 Book-Entry Transfer Institution for the Bonds

Japan Securities Depository Center, Incorporated ("**JASDEC**") acts as book-entry transfer institution (*furikae kikan*) in respect of the Bonds under the Book-Entry Transfer Law.

In these Conditions of Bonds, all references to JASDEC shall be deemed to include any successor book-entry transfer institution as designated by a competent minister pursuant to the Book-Entry Transfer Law.

7 Interest

The Bonds bear interest at the rate of 0.264% per annum of their principal amount for the period from, and including, 14 December 2018 to, and including, 13 December 2021, payable in Japanese Yen semi-annually in arrears on 13 June and 13 December of each year in respect of the half year period to and including each such interest payment date. Whenever it is necessary to compute an amount of interest on the Bonds for a period other than a half year, such interest shall be calculated on the basis of the actual number of calendar days in a 365-day year.

The total amount of interest payable to each Bondholder shall be calculated in accordance with the Business Regulations.

The Bonds shall cease to bear interest after the date on which they become due for redemption; provided, however, that should the Issuer fail to redeem any of the Bonds when due, then the Issuer shall pay accrued interest on the unpaid principal amount in Japanese Yen for the actual number of days in the period from, but excluding, the due date to, and including, the date of the actual redemption of such Bond, computed by the method and the rate set forth in the first paragraph of this Condition 7. Such period, however, shall not exceed the date on which the Fiscal Agent (acting in its capacity of paying agent under the Business Regulations, hereinafter the "**Paying Agent**") allocates the necessary funds for the full redemption of the Bonds received by it among the relevant participants, which have opened their accounts with JASDEC to make book-entry transfer of the Bonds (*kikou kanyusha*) (the "**JASDEC Participants**"); provided that if such overdue allocation is not possible under the Business Regulations, such period shall not exceed 14 days commencing on the date on which the last public notice is given by the Fiscal Agent in accordance with the third paragraph of Condition 8 and Condition 13.

8 Payments

Payment of principal and interest of a Bond shall be made by the Paying Agent to the Bondholders, directly when such Bondholders are the JASDEC Participants, and in other cases through the relevant account management institution (*kouza kanri kikan*) (the "**Account Management Institution**") with which such Bondholders have opened their accounts to have the Bonds recorded in accordance with the Book-Entry Transfer Law and the Business Regulations. At the time when the Paying Agent allocates the necessary funds for the payment of principal of or interest on the Bonds received by it from the Issuer among the relevant JASDEC Participants and such amount of principal or interest is recorded under the relevant JASDEC Participants' accounts, the Issuer shall be released from its obligation in respect of such payment of principal of or interest on the Bonds.

If any due date for payment of principal or interest on the Bonds falls on a day which is not a day on which banks are open for business in Japan (the "**Business Day**"), the Bondholders shall not be entitled to payment of the amount due until the next following Business Day, and shall not be entitled to the payment of any further or additional interest or other payment in respect of such delay.

If the full amount of principal of or interest on the Bonds payable on any due date is received by the Paying Agent after such due date, the Fiscal Agent shall, in accordance with Condition 13, give public notice to the Bondholders of receipt of such amount, payment method and actual payment date as soon as practicable but not later than 14 days after receipt of such amount by the Paying Agent. If at the time of such receipt, either the method or the date of such payment or both is not determinable, the Fiscal Agent shall give public notice of such receipt and of the method and/or date of such payment to the extent the same has been determined. The Fiscal Agent will give, at a later date, public notice to the Bondholders of the method and/or the date of such payment, promptly upon determination thereof. All expenses incurred in connection with said public notice shall be borne by the Issuer.

9 Redemption and Purchase

(1) Final Redemption

Unless previously redeemed or purchased and cancelled as provided in Condition 9(2), Condition 9(3) or Condition 9(4), each Bond will be redeemed on 13 December 2021 at 100% of its principal amount.

(2) Redemption for Tax Reasons

If the Issuer is required to pay any Additional Amounts (as defined below) pursuant to Condition 10 on the next payment of principal or interest in respect of the Bonds, the Issuer may, but shall not be obliged to, on giving not less than 15 days nor more than 30 days' notice to the Bondholders, and upon expiry of such notice, redeem in whole, but not part of, the Bonds at the principal amount together with interest accrued to, and including, the date of redemption.

In the event of redemption to be made under this Condition 9(2), the Issuer shall deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating (i) that the Issuer is or will be obliged to pay such Additional Amounts pursuant to Condition 10, (ii) that it elects to redeem the Bonds pursuant to this Condition 9(2), (iii) the date for such redemption, and (iv) that the conditions precedent to the right of the Issuer so to redeem under this Condition 9(2) have occurred (together with details of facts relating thereto), and a written opinion of independent legal advisers of recognised standing confirming the matters set forth in items (i) and (iv) above.

Such certificate and opinion shall be delivered to the Fiscal Agent at least 30 days prior to the proposed redemption date, and the Issuer shall give public notice to the Bondholders of such matters at least 14 days prior to the proposed redemption date. Such proposed redemption date shall be a Business Day, and such delivery to the Fiscal Agent and public notice to the Bondholders shall be irrevocable.

Such certificate and opinion delivered by the Issuer to the Fiscal Agent pursuant to this Condition 9(2) shall be kept at the head office of the Fiscal Agent promptly after the Fiscal Agent receives them and up to the expiry of one year after the redemption date and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

All expenses necessary for the procedures under this Condition 9(2) shall be borne by the Issuer.

(3) Purchases

The Issuer, or any of its subsidiaries which falls within the category of the Controlled Juridical Person, Etc. as defined in Condition 2 and has a purpose to resell such Bonds to the Issuer, may at any time purchase the Bonds at any price in the open market or otherwise. Such Bonds may be held, re-issued, resold or, at the option of the Issuer, surrendered to the Fiscal Agent for cancellation.

(4) Cancellation

All Bonds which are redeemed will forthwith be cancelled pursuant to the Business Regulations. All Bonds so cancelled and the Bonds purchased and cancelled pursuant to Condition 9(3) above cannot be re-issued or resold.

(5) Except as otherwise provided in these Conditions of Bonds, the Issuer may not redeem the principal of the Bonds in whole or in part prior to the maturity date thereof.

10 Taxation

All payments by the Issuer of principal or interest in respect of the Bonds will be made without withholding of or deduction for, or on any account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of The Netherlands or any political subdivision thereof or by any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will pay such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts receivable by Bondholders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Bonds in the absence of such withholding or deduction, except that no Additional Amounts shall be payable in relation to any payment with respect to any Bond:

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

- (b) to, or to a third party on behalf of, a Bondholder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (c) to, or to a third party on behalf of, a Bondholder that is a partnership or a Bondholder that is not the sole beneficial owner of the Bonds or which holds the Bonds in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of Additional Amounts had each of the members of the partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment.

References in these Conditions of Bonds to the principal of or interest on the Bonds shall be deemed to include any Additional Amounts which may become payable pursuant to the foregoing provisions.

11 Prescription

The period of extinctive prescription shall be 10 years for the principal of the Bonds and 5 years for the interest on the Bonds.

12 Events of Default

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

- (a) default is made for more than 30 days in the payment of interest or principal in respect of the Bonds; or
- (b) the Issuer fails to perform or observe any of its other obligations under the Bonds 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 (such notice shall be accompanied by the certificate (the "**Certificate**") of the Bondholder giving such written notice certifying the holding of the relevant Bond and issued by JASDEC or the relevant Account Management Institution); or
- (c) the Issuer is declared bankrupt 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 Supervision Act (*Wet op het financieel toezicht*); or
- (d) an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of combination with another company, the terms of which merger, consolidation or combination (A) have the effect of the emerging or such other surviving company assuming all obligations contracted by the Issuer in connection with the Bonds or (B) have previously been approved by an Extraordinary Resolution (as defined in Condition 14) of the Bondholders;

then any Bondholder may, by written notice addressed to the Issuer and delivered to the Fiscal Agent at its head office (such notice shall be accompanied by the Certificate), effective upon the date of receipt thereof by the Fiscal Agent, declare the Bond held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at a price equal to 100% of the principal amount, together with accrued interest (if any) to, and including, the date of repayment, without presentment, demand, protest or other notice of any kind, provided that the right to declare Bonds due and payable shall terminate if the situation giving rise to it has been cured before the relevant notice has become effective.

13 Public Notices

Notices to the Bondholders shall be valid if published in the Japanese Official Gazette (*kampo*), if possible, and in a daily Japanese newspaper published in both Tokyo and Osaka reporting on general affairs (which is expected to be the *Nihon Keizai Shimbun*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

The Issuer does not need to make direct notification to individual Bondholders. Such public notices to be given by the Issuer shall, upon the request and at the expense of the Issuer, be given by the Fiscal Agent on behalf of the Issuer.

14 Bondholders' Meetings

- (1) The Issuer shall convene a Bondholders' meeting to consider any matters which relate to the interests of Bondholders in the event: that Bondholders holding at least one tenth (1/10) of the aggregate principal amount of the Bonds then outstanding, acting either jointly or individually, so request in writing to the Fiscal Agent at its head office; provided that such Bondholders shall have presented to the Fiscal Agent the Certificates; or that the Issuer should deem it necessary to hold a Bondholders' meeting.

A Bondholders' meeting shall be held in Tokyo, Japan.

When a Bondholders' meeting is to be convened, the Issuer shall give public notice of the convocation of the Bondholders' meeting at least 21 days prior to the date of such meeting and give written notice to that effect at least 35 days prior to the date of such meeting to the Fiscal Agent; and ensure that the Fiscal Agent, on behalf of the Issuer, shall take the steps necessary for the convocation of the Bondholders' meeting and to expedite the proceedings thereof.

- (2) The Bondholders may exercise their vote by themselves at the relevant Bondholders' meeting, by proxy, or in writing pursuant to the rules established by the Issuer or the Fiscal Agent on behalf of the Issuer. At any Bondholders' meeting, each Bondholder shall have voting rights in proportion to the aggregate principal amount of the outstanding Bonds held by him; provided, however, that the Certificates shall have been presented to the Fiscal Agent at its head office, at least 7 days prior to the date set for such meeting and to the Issuer or the Fiscal Agent at such meeting, on the date thereof; and, provided, further, that the Bondholder shall not make an application for book-entry transfer or an application for obliteration of the Bonds unless he returns the Certificate so issued to JASDEC or the relevant Account Management Institution of such Bondholder, as the case may be.
- (3) Resolutions at such Bondholders' meeting shall be passed by a majority vote of the voting rights of the Bondholders present at such meeting; provided, however, that Extraordinary Resolution (as defined below) is required with respect to the following items:
 - (a) a grace of payment, an exemption from liabilities resulting from a default, or settlement, to be effected with respect to all the Bonds (other than the matters provided for in (b) below);
 - (b) a procedural act to be made with respect to all the Bonds, or all acts pertaining to bankruptcy or similar proceedings;
 - (c) an appointment or removal of representative(s) of the Bondholders who will be authorised to make a decision on matters to be resolved at a Bondholders' meeting (provided each of such representative(s) shall hold one-thousandth (1/1000) or more of the aggregate principal amount of the outstanding Bonds) (the "**Representative(s) of Bondholders**") or an executor who will be authorised to carry out a resolution passed (the "**Executor**"), or an alternation to any matters entrusted to them; and
 - (d) an approval of terms of a scheme of reconstruction, merger or amalgamation as described in Condition 12(d) or substitution of the Issuer at the Issuer's request.

"Extraordinary Resolution" means a resolution passed at a Bondholders' meeting by one-fifth (1/5) or more of the votes representing the aggregate principal amount of the Bonds then outstanding and two-thirds (2/3) or more of the votes of the Bondholders present at such meeting.

For the purposes of calculating the number of votes exercised at a Bondholders' meeting, the Bondholders who have exercised their votes by proxy or in writing or (in the event the Issuer permits the exercise of the voting rights by electronic method) by an electronic method shall be deemed to have attended and voted at such meeting.

- (4) The resolution passed pursuant to Condition 14(3) shall be binding on all the Bondholders whether present or not at such Bondholders' meeting to the extent permitted by the applicable Japanese law, and shall be carried out by the Representative(s) of Bondholders or Executor appointed by the Bondholders at the meeting pursuant to Condition 14(3)(c).
- (5) For the purpose of this Condition 14, the Bonds then held by the Issuer or any of its subsidiaries shall be disregarded and deemed not to be outstanding.
- (6) All expenses necessary for the procedures under this Condition 14 shall be borne by the Issuer.

15 Registration Book

The registration book for the Bonds shall be prepared and administered by the Fiscal Agent on behalf of the Issuer, and kept at the head office of the Fiscal Agent.

16 Governing Law and Jurisdiction

The Bonds are governed by, and shall be construed in accordance with, the laws of Japan.

Except otherwise provided in these Conditions of Bonds, the place of performance of obligations pertaining to the Bonds is Tokyo, Japan.

Any legal action or other court procedure against the Issuer arising from or relating to the Bonds or these Conditions of Bonds may be instituted in the Tokyo District Court.

The Issuer hereby appoints Representative in Japan of ING Wholesale Banking Tokyo as the authorised agent of the Issuer upon whom process and any judicial or other court documents may be served in any legal or other court procedural action arising from or relating to the Bonds or these Conditions of Bonds that may be instituted in Tokyo, Japan; and the Issuer hereby designates the address from time to time of ING Wholesale Banking Tokyo, currently at Meiji Yasuda Seimei Bldg. 8F, 2-1-1, Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan as the address for the purpose of accepting service of process and other court documents in Japan.

The Issuer agrees to take, from time to time and so long as any of the Bonds shall remain outstanding, any and all action (including the execution and filing of any and all documents and instruments) that may be necessary to effect and to continue such appointment and designation in full force and effect. If at any time such agent shall not, for any reason, serve as such authorised agent, the Issuer shall immediately appoint, and it undertakes to take any and all action that may be necessary to effect the appointment of, a successor authorised agent in Tokyo, Japan. The Issuer shall promptly notify the Fiscal Agent of the appointment of such successor agent and give a public notice thereof to the Bondholders.

Nothing in this Condition 16 shall affect the right of the Bondholders to institute legal action against the Issuer in any court of competent jurisdiction under applicable laws or to serve process in any manner otherwise permitted by law.

17 Modifications and Amendments

To the fullest extent permitted by applicable law, certain modifications and amendments to these Conditions of Bonds may be made without the consent of any Bondholder, only for the purpose of curing any ambiguity, or of correcting or supplementing any defective provisions contained therein, adding covenants for the benefit of the Bondholders, removing, or expanding the exemptions in the transfer restrictions in Condition 2, surrendering rights or powers conferred on the Issuer, effecting succession or assumption as a result of a merger or similar transaction, or in any other manner which the Issuer may deem necessary and desirable and which will not materially adversely affect the interest of the Bondholders or the Fiscal Agent. Any such modifications or amendments shall be notified to the Bondholders and Fiscal Agent at the expense of the Issuer and in accordance with Condition 13 as soon as practicable thereafter.

18 Further Issues

The Issuer shall be at liberty from time to time without the consent of the Bondholders to create and issue further bonds (the "**Further Bonds**") having the same terms and conditions as the Bonds or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single series with the outstanding Bonds, subject to the Business Regulations. On and after the date of issue of the Further Bonds, provisions of these Conditions of Bonds shall be applied to the Further Bonds.