



ING Groep N.V.

(incorporated in the Netherlands with its statutory seat in Amsterdam)

Euro 1,000,000,000 ING Perpetual Securities III
Issue price: 100 per cent.

Unless expressly indicated otherwise, the terms and expressions used herein have the same meaning as given to them in the Terms and Conditions.

The ING Perpetual Securities III (the '**Securities**') are perpetual securities and have no fixed redemption date. However, the Securities may be redeemed in whole but not in part at the option of the Issuer, at their liquidation preference of € 100 per Security together with any Outstanding Payments on the Coupon Payment Date falling on 30 June 2014 or any Coupon Payment Date thereafter. Prior redemption in case of tax events may apply, subject to Condition 8.

The Securities will bear a variable rate of interest on their outstanding principal amount from (and including) the Issue Date and will be payable quarterly in arrear on 31 March, 30 June, 30 September and 31 December of each year, subject to Condition 4 and 5. Payments (such term does not include principal) may be deferred, as more fully described in Condition 4, but any Deferred Coupon Payment will immediately become due if the Issuer makes payments on or purchases or redeems its Junior Securities or Parity Securities. Investors will always receive cash but the moneys to satisfy such Deferred Coupon Payments may only be raised by the issue of its Ordinary Shares, which, when sold, will provide the cash amount due in respect of Deferred Coupon Payments. Upon the occurrence of a Regulatory Event, the Securities will be converted into Capital Securities of the Issuer, as described in Condition 7.

The Securities constitute direct, unsecured and subordinated securities of the Issuer as described in Condition 2.

This Offering Circular constitutes a prospectus for the purpose of the listing and issuing rules of Euronext Amsterdam N.V. and Euronext Brussels S.A./N.V. Application has been made for the listing of the Securities on the Official Segment of the Stock Market of Euronext Amsterdam N.V. and Euronext Brussels S.A./N.V. It is anticipated that the Securities will be quoted as a percentage of its principal amount of € 100.

The Securities are expected to be assigned, on issue, a rating of 'A-' by Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc., and a rating of 'A2' by Moody's Investors Service, Inc. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

The Securities shall have denominations of € 100 each. The Securities will be represented by a global security (the '**Global Security**') in bearer form without interest coupons, in the principal amount of € 1,000,000,000. The Global Security will be deposited with Euroclear Netherlands and purchase transactions will be cleared through Euroclear Netherlands participants including Euroclear and Clearstream. The Global Security will not be exchangeable for definitive Securities in bearer form.

Lead Manager

ING Financial Markets

Co-lead Managers

BNP PARIBAS
Goldman Sachs International

Citigroup
Rabobank International

The date of this Offering Circular is 14 June 2004

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IMPORTANT INFORMATION

Responsibility

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

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the Securities and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Trustee or the Managers (as defined under 'Subscription and Sale' below). Neither the delivery of this document nor any sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer or the Issuer and its subsidiaries (together 'the **Group**') since the date hereof. This document does not constitute an offer of, or an invitation by, or on behalf of, the Issuer, the Trustee or the Managers to subscribe for, or purchase, any of the Securities. This document does not constitute an offer, and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

Neither the Managers nor the Trustee have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers, the Trustee or any of them as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by the Issuer in connection with the Securities or their distribution.

Incorporation by Reference

The following documents shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (a) the annual reports and the annual accounts of the Issuer in respect of the financial year ended 31st December, 2002 and 31st December, 2003; and
- (b) the Articles of Association (*statuten*) of the Issuer.

Offering and Selling Restrictions

This Offering Circular is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Managers that any recipient of this Offering Circular should purchase any of the Securities. Each investor contemplating purchasing Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the '**Securities Act**') and are subject to U.S. tax law requirements. Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and sale of the Securities and on distribution of this document, see 'Subscription and Sale' below.

STABILISATION

IN CONNECTION WITH THE ISSUE OF THE SECURITIES, ING BANK N.V. MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILISE OR MAINTAIN THE MARKET PRICE OF THE ING PERPETUAL SECURITIES III AT A LEVEL WHICH MIGHT NOT OTHERWISE PREVAIL. SUCH STABILISING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME (BUT WILL IN ANY EVENT BE DISCONTINUED 30 DAYS AFTER THE ISSUE DATE OF THE SECURITIES).

Miscellaneous

All references in this document to **‘euro’**, **‘euros’** and **‘€’** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25th March, 1957) as amended by the Treaty on European Union (signed in Maastricht on 7th February, 1992). Words denoting the singular will also imply the plural and vice versa.

INVESTMENT CONSIDERATIONS

The following is a summary of certain aspects of the Securities of which prospective investors should be aware. This summary is not intended to be exhaustive and prospective investors should carefully consider this summary in conjunction with the other information contained in this document.

Deferral

The Issuer may elect to defer any Payment (such term does not include principal) on the Securities for any period of time subject to suspension of payment on Junior Securities and Parity Securities, as more particularly described in ‘Terms and Conditions of the Securities – 4. Deferrals’. Unless deferral is required as described under ‘Terms and Conditions of the Securities – 4. Deferrals – (a) Required Deferral of Payments’, any deferred payment will bear interest at the Applicable Coupon Rate.

Perpetual securities

The Issuer is under no obligation to redeem the Securities at any time and the Holders have no right to call for their redemption.

Redemption risk

Upon the occurrence of certain specified tax or regulatory events, or the Coupon Payment Date falling on 30 June 2014 or any Coupon Payment Date thereafter, the Securities may be redeemed at their principal amount together with any Outstanding Payments (as defined in ‘Terms and Conditions of the Securities – 21. Definitions’), subject as provided in ‘Terms and Conditions of the Securities – 8. Redemption and Purchases’.

Conversion into Capital Securities

Upon the occurrence of a Regulatory Event, the Securities will be converted into Capital Securities of the Issuer. See ‘Terms and Conditions of the Securities – 7 Conversion of Securities into Capital Securities’.

If the Securities are so converted, the Capital Securities that a Holder will then hold may have different rights than those applicable to the Securities and such rights may be less favourable to Holders than those that apply to the Securities, provided that in a winding-up of the Issuer the Capital Securities will in any case, likewise the Securities, rank *pari passu* with the most senior preference shares of the Issuer.

No limitation on issuing debt

Save as provided in ‘Terms and Conditions of the Securities – 2. Status – (b)(iii) Senior Instruments’, there is no restriction on the amount of debt which the Issuer may issue which ranks senior to the Securities or on the amount of securities which the Issuer may issue which ranks *pari passu* with the Securities. The issue of any such debt or securities may reduce the amount recoverable by Holders on a winding-up of the Issuer or may increase the likelihood of a deferral of Payments under the Securities.

Availability of shares

If the Issuer is to make a payment using the Alternative Coupon Satisfaction Mechanism and has an insufficient number of Ordinary Shares available for issue, then the Issuer’s payment obligation shall be suspended to the extent of such insufficiency until such time as sufficient shares are available to satisfy all or part of the suspended payment obligation, as more particularly described in ‘Terms and Conditions of the Securities – 6. Alternative Coupon Satisfaction Mechanism – (d) Insufficiency’.

Market Disruption Event

If, following a decision by the Issuer to satisfy a payment using the Alternative Coupon Satisfaction Mechanism, in the opinion of the Issuer a Market Disruption Event in respect of its Ordinary Shares exists, the payment to Holders may be deferred until the cessation of such market disruption, as more particularly described in ‘Terms and Conditions of the Securities – 6. Alternative Coupon Satisfaction Mechanism – (e) Market Disruption’. Any such deferred payments shall bear interest at the Applicable Coupon Rate if the Market Disruption Event continues for 14 days or more.

Restricted remedy for non-payment

The sole remedy against the Issuer available to the Trustee or any Holder for recovery of amounts owing in respect of any Payment or principal in respect of the Securities will be the institution of proceedings for the winding-up of the Issuer and/or proving in such winding-up.

Set-off

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

Absence of prior public markets

The Securities constitute an issue of new securities by the Issuer. Prior to this issue, there will have been no public market for the Securities. Although application has been made for the Securities to be listed on the Official Segment of the Stock Market of Euronext Amsterdam N.V. and Euronext Brussels S.A./N.V., there can be no assurance that an active public market for the Securities will develop and, if such a market were to develop, the Managers are under no obligation to maintain such a market. The liquidity and the market prices for the Securities can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer and other factors that generally influence the market prices of securities.

Het hier onderstaande is een Nederlandse vertaling van de originele Engelse tekst in de Offering Circular van de 'Investment Considerations'. De Engelse versie is de enige bindende versie en de Engelse versie zal prevaleren in het geval van een inconsistentie tussen de Engelse en de Nederlandse versie. De Nederlandse versie is uitsluitend bedoeld voor het gemak.

BELEGGINGSOVERWEGINGEN

Hieronder wordt een samenvatting gegeven van bepaalde aspecten van de Effecten waarvan potentiële beleggers zich rekenschap dienen te geven. Deze samenvatting is niet volledig en potentiële beleggers dienen deze samenvatting derhalve zorgvuldig te overwegen in samenhang met de overige informatie in dit document.

Uitstel

De Emittent kan ervoor kiezen elke Betaling (welke term niet verwijst naar de hoofdsom) op de Effecten gedurende onbepaalde tijd uit te stellen behoudens opschorting van betaling op Junior Securities en Parity Securities, zoals nader aangegeven in Voorwaarden van de Effecten – 4. Uitstel. Tenzij uitstel verplicht is, als uiteengezet onder Voorwaarden van de Effecten – 4. Uitstel – (a) Verplicht Uitstel van Betalingen, is elk uitstel van betaling rentedragend tegen de Toepasselijke Couponrente.

Eeuwigdurende Effecten

De Emittent is niet verplicht de Effecten op enig moment af te lossen en de Houders zijn niet gerechtigd aflossing daarvan te verlangen.

Aflossingsrisico

Wanneer zich bepaalde omschreven gebeurtenissen voordoen met betrekking tot belastingen of op regulatorisch terrein, of op de Rentebetaaldag vallend op 30 juni 2014 of op elke Rentebetaaldag daarna, kunnen de Effecten geheel worden afgelost tezamen met Uitstaande Betalingen (zoals gedefinieerd in 'Voorwaarden van de Effecten – 20. Definities'), behoudens het bepaalde in 'Voorwaarden van de Effecten – 8. Aflossing en Inkoop'.

Omwisseling naar Capital Securities

Indien zich een Regulatory Event voordoet zullen de Effecten worden omgewisseld naar door de Emittent uit te geven preferente aandelen of andere instrumenten, zulks naar inzicht van de Emittent (de 'Capital Securities'). Zie 'Voorwaarden van de Effecten – 7. Omwisseling naar Capital Securities'.

Aan de Capital Securities kunnen andere rechten zijn verbonden dan die welke gelden voor de Effecten en welke minder gunstig kunnen zijn voor de Houders dan de rechten verbonden aan de Effecten, met dien verstande dat bij een uitwinningprocedure ten gevolge van het faillissement van de Emittent, de Capital Securities in rang *pari passu* zullen zijn met de in rang eerstkomende preferente aandelen van de Emittent.

Geen beperking op uitgifte schuldpapier

Behoudens het bepaalde in 'Voorwaarden van de Effecten – 2. Status – (b) (iii) Senior Instruments' zijn er geen beperkingen op het bedrag aan schuldpapier dat de Emittent kan uitgeven en een hogere rang heeft dan de Effecten, of op het bedrag aan effecten dat de Emittent kan uitgeven en in rang *pari passu* staat met de Effecten. De uitgifte van dergelijk schuldpapier of dergelijke effecten kan het bedrag dat door Houders kan worden verhaald bij een uitwinningprocedure ten gevolge van het faillissement van de Emittent verminderen, of de kans doen toenemen dat Betalingen op de Effecten worden uitgesteld.

Beschikbaarheid van aandelen

Indien de Emittent een betaling dient te doen via het Alternative Coupon Satisfaction Mechanism en een ontoereikend aantal Gewone Aandelen ter beschikking heeft voor uitgifte, dan wordt de betalingsverplichting van de Emittent opgeschort voor het bedrag van die ontoereikendheid tot het moment waarop alsnog voldoende aandelen beschikbaar zijn om de opgeschorte betalingsverplichting geheel of gedeeltelijk te voldoen, zoals nader uiteengezet in 'Voorwaarden van de Effecten – 6. Alternative Coupon Satisfaction Mechanism – (d) Ontoereikendheid'.

Marktverstoring

Indien na een besluit van de Emittent tot voldoening van betaling via het Alternative Coupon Satisfaction Mechanism naar de mening van de Emittent zich een geval van Marktverstoring voordoet met betrekking tot zijn Gewone Aandelen, kan de betaling aan Houders worden uitgesteld totdat die marktverstoring is beëindigd, zoals nader uiteengezet in 'Voorwaarden van de Effecten – 6. Alternative Coupon Satisfaction Mechanism – (e) Marktverstoring'. Dergelijke uitgestelde betalingen zijn rentedragend tegen de Toepasselijke Couponrente indien de Marktverstoring 14 dagen of langer voortduurt.

Beperkt middel bij niet-betaling

Het enige middel dat jegens de Emittent aan de Trustee of Houders openstaat voor verhaal van bedragen die verschuldigd zijn met betrekking tot een Betaling of hoofdsom met betrekking tot de Effecten is het instellen van een procedure tot faillietverklaring van de Emittent en/of verificatie van schulden bij een uitwinningprocedure .

Verrekening

Behoudens het toepasselijk recht kunnen Houders geen aanspraak maken op recht tot verrekening of zulks uitoefenen terzake van aan hen door de Emittent verschuldigde bedragen welke voortvloeien uit of verband houden met de Effecten en worden Houders, enkel door het houden van Effecten, geacht afstand te hebben gedaan van al dergelijke rechten tot verrekening.

Geen eerdere openbare markten

De Effecten vormen een uitgifte van nieuwe effecten door de Emittent. Voorafgaand aan deze uitgifte is er geen openbare markt voor de Effecten geweest. Hoewel een notering is aangevraagd voor de Effecten aan Euronext Amsterdam N.V. en Euronext Brussels S.A./N./V., kan niet worden gegarandeerd dat een actieve openbare markt voor de Effecten zal ontstaan en, indien dat wel gebeurt, zijn de Managers op generlei wijze verplicht een dergelijke markt te onderhouden. Het is te verwachten dat de liquiditeit en de beurskoersen van de Effecten zullen variëren onder invloed van marktomstandigheden en economische ontwikkelingen, de financiële toestand en vooruitzichten van de Emittent en andere factoren die in het algemeen van invloed zijn op de beurskoersen van effecten.

SUMMARY

The following summary refers to certain provisions of the Terms and Conditions of the Securities and the Trust Deed and insofar as it refers to the Terms and Conditions of the Securities is qualified by the more detailed information contained elsewhere in this document. Defined terms used herein have the meaning given to them in 'Terms and Conditions of the Securities'.

Issuer	ING Groep N.V.
Trustee	Amsterdamsch Trustee's Kantoor B.V.
Issue Size	€ 1,000,000,000
Issue Price	100 per cent.
Redemption	The Securities are perpetual securities and have no maturity date. The Securities may be redeemed in whole but not in part at the option of the Issuer, at their liquidation preference of € 100 per Security together with any Outstanding Payments on the Coupon Payment Date falling on 30 June 2014 or any Coupon Payment Date thereafter.
Interest	<p>The Securities will bear a variable rate of interest from (and including) the Issue Date which will be payable on each Coupon Payment Date (the 'Coupon Rate'). The Coupon Rate payable from time to time in respect of the Securities will be determined on each Interest Determination Date for the next succeeding Coupon Period and shall be the linear interpolated effective yield on the relevant Interest determination Date for two Dutch state loans with remaining terms most closely corresponding to 10 years (as from such Interest Determination Date) (the 'Reference Loans') recalculated to a quarterly based rate, plus 0.10%. The first Interest Determination Date is two days before closing of the subscription period and the first Coupon Period runs from and including the Issue Date to but excluding 30 September 2004.</p> <p>If on any Interest Determination Date no Reference Loans are available, the Coupon Rate payable on the Securities will be calculated on the basis of the interpolated effective yield on the relevant Interest Determination Date of two such other European government bonds as the Calculation Agent may, with the advice of three brokers of and/or market makers, in European government bonds selected by the Calculation Agent, determined to be appropriate for purposes of determining such Coupon Rate (the 'Substitute Reference Loans').</p> <p>If on any Interest Determination Date neither Reference Loans nor Substitute Reference Loans are available, the Coupon Rate payable on the Securities will be calculated on the basis of the interpolated effective yield on the relevant Interest Determination Date for two loans which are as much as possible identical in terms of yield, nature, remaining term and creditworthiness of the borrowers thereunder to the Reference Loans (the 'Comparable Bonds').</p> <p>If the Coupon Rate in respect of any Coupon Period determined in accordance with the above provisions is greater than 9%, the Coupon Rate for such Coupon Period shall be 9%.</p>

Coupon Payment Dates	Subject as described below, Coupon Payments will be payable quarterly in arrear on 31 March, 30 June, 30 September and 31 December of each year (each ‘ Coupon Payment Date ’ from (and including) 30 September 2004.
Subordination	The Securities constitute direct, unsecured and subordinated securities of the Issuer. The rights and claims of the Holders under the Securities are subordinated to the claims of Senior Creditors. No payment in respect of the Securities shall be due and payable except to the extent that the Issuer is solvent and could make such payment and still be solvent immediately thereafter.
Winding-up Claims	In the event of the winding-up of the Issuer, the Holders will be treated as if they were the Holders of the most senior class of preference shares outstanding from time to time with a liquidation preference of € 100 plus Outstanding Payments and otherwise having an equal right to a return of the assets of the Issuer in the winding-up to the holders of the Securities. Such class would rank junior to the claims of Senior Creditors and <i>pari passu</i> with Parity Securities.
Required Deferral of Payments	<p>If the Issuer determines, on the 20th Business Day prior to the date on which any Payment (such term does not include principal) would, in the absence of deferral in accordance with Condition 4 of the Terms and Conditions of the Securities, be due and payable, that payment of the relevant Payment will result in the Issuer being insolvent, the Issuer must defer such Payment. Required Deferral of Payments as aforementioned will only take place so long as the Issuer has not become subject to capital adequacy regulations as applied and enforced by the Dutch Central Bank or any appropriate regulator.</p> <p>Such required deferred payment may be satisfied at any time by the Issuer giving not less than 16 Business Days notice of such satisfaction. Unless the Issuer elects to defer such Payment pursuant to its general right to defer referred to below, such required deferred payment must be satisfied on the Coupon Payment Date next following the 19th Business Day after the Issuer determines that it will meet the solvency test referred to in ‘Terms and Conditions of the Securities – 2. Status – (b)(i) Condition of Payment by the Issuer’. No interest will accrue on required Deferred Coupon Payments.</p>
Optional Deferral of Payments	The Issuer may elect to defer any Payment (such term does not include principal) on the Securities for any period of time. However if the Issuer makes this election, the deferred payment will bear interest at the Applicable Coupon Rate for the full period of deferral.
Deferred and Future Interest Payments	Any Payment which has been deferred will become immediately due and payable if the Issuer makes payments on or purchases or redeems any Junior Securities or Parity Securities. Furthermore any payment on Ordinary Shares or any other Junior Securities will result in full mandatory payments for the next four coupon periods assuming such payment to be for a full year. Any payment on any Parity Securities will result in a proportional mandatory payment for the relevant number of consecutive coupon periods following the payment on such Parity Securities.
Alternative Coupon Satisfaction Mechanism	Any Deferred Coupon Payment (with any interest accrued on such Deferred Coupon Payment, as applicable) will be satisfied using the Alternative Coupon Satisfaction Mechanism. Investors will always receive payments made in respect of Securities in cash. However, the Issuer may elect at any time to satisfy its obligation to make any Payment (other than a

payment of principal) to Holders by the issue of its Ordinary Shares in such amount that, when the Ordinary Shares are sold, will provide enough cash for the Issuer to make full payments on the Securities in respect of the relevant Payment. The Calculation Agent will calculate in advance the number of Ordinary Shares that must be issued to raise the full amount of money due on the Securities on the Relevant Date to the Holders.

Insufficiency

The Issuer is required to keep available for issue enough Ordinary Shares as it reasonably considers would be required to satisfy from time to time the next year's Coupon Payment or Payments using the Alternative Coupon Satisfaction Mechanism.

Market Disruption Event

If, in the opinion of the Issuer, a Market Disruption Event in respect of its shares exists on or after the 15th Business Day preceding any date upon which the Issuer is due to satisfy a Payment using the Alternative Coupon Satisfaction Mechanism, the payment to Holders may be deferred until the Market Disruption Event no longer exists. Any such deferred payments shall bear interest at the Coupon Rate if the Market Disruption Event continues for 14 days or more.

**Conversion into
Capital Securities**

If a Regulatory Event occurs, then the Securities will be converted into preference shares or other instruments issued by the Issuer such to the discretion of the Issuer (the '**Capital Securities**'). In a winding-up of the Issuer, the Capital Securities will rank *pari passu* with the most senior preference shares of the Issuer. Any interest accrued, including Deferred Coupon Payments on the Securities at the time when the Securities are converted into the Capital Securities will be 'transferred' to the Capital Securities and any such transferred Deferred Coupon Payments will be settled by means of the Alternative Coupon Satisfaction Mechanism as described in Condition 6.

Additional Amounts

The Issuer will pay additional amounts to Holders of the Securities to gross up Payments upon the imposition of Dutch withholding tax, subject to customary exceptions. Distributions on the Capital Securities will, on the basis of current Dutch tax legislation, generally be subject to Netherlands dividend withholding tax at a rate of 25%. If a holder of Capital Securities is resident in a country other than the Netherlands and if a double taxation convention is in effect between the Netherlands and such country, such holder of Capital Securities may, depending on the terms of such double taxation convention, be eligible for a full or partial exemption from, or refund of, Netherlands dividend withholding tax.

**Redemption for
Taxation Reasons**

Upon the occurrence of certain changes in the treatment of the Securities for taxation purposes as described below, the Issuer may redeem all but not some only of the Securities at their principal amount together with any Outstanding Payments.

**Redemption for
Regulatory Reasons**

If at any time following the Issuer becoming subject to capital adequacy regulations and securities of the nature of the Securities or the Capital Securities cease to qualify as Tier 1 Capital (or instruments of a similar nature which qualify as core capital) for the purposes of such capital adequacy regulations, then the Issuer may (subject to the prior consent of the relevant regulator) redeem all, but not some only, of the Securities or the Capital Securities at their principal amount together with any Outstanding Payments or any accumulated and unpaid dividends for the then current dividend period through the date of redemption, as applicable.

Remedy for Non-Payment	The sole remedy against the Issuer available to the Trustee or any Holder of Securities for recovery of amounts owing in respect of the Securities will be the institution of proceedings for the winding-up of the Issuer and/or proving in such winding-up.
Form	The Securities will be represented by a Global Security in bearer form (the 'Global Security'), without coupons, in the principal amount of € 1,000,000,000. The Global Security will be deposited with Euroclear Netherlands (<i>Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.</i>). The Global Security will not be exchangeable for definitive Securities in bearer form.
Clearing Systems	Euroclear Netherlands, Clearstream and Euroclear.
Selling Restrictions	The offering and sale of the Securities are subject to all applicable selling restrictions. See ' Subscription and Sale ' on page 56.
Listing	Application has been made to list the Securities on the Official Segment of the Stock Market of Euronext Amsterdam N.V. and Euronext Brussels S.A./N.V. It is anticipated that the Securities will be quoted as a percentage of its principal amount of €100.
Ratings	The Securities are expected to be assigned, on issue, a Rating of 'A-' by Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc. and a rating of 'A2' by Moody's Investors Service. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.
Governing Law	The Securities will be governed by, and construed in accordance with the laws of the Netherlands.

Het hier onderstaande is een Nederlandse vertaling van de originele Engelse tekst in de Offering Circular van de 'Summary'. De Engelse versie is de enige bindende versie en de Engelse versie zal prevaleren in het geval van een inconsistentie tussen de Engelse en de Nederlandse versie. De Nederlandse versie is uitsluitend bedoeld voor het gemak.

SAMENVATTING

Hieronder wordt een samenvatting gegeven van een aantal bepalingen uit de Voorwaarden van de Effecten en de Trustakte die, voor zover het de Voorwaarden van de Effecten betreft, wordt gekwalificeerd door de meer gedetailleerde informatie zoals die elders in dit document wordt verstrekt. De hierin gebruikte gedefinieerde termen dragen de betekenis die daaraan is toegekend in 'Voorwaarden van de Effecten'.

Emittent	ING Groep N.V.
Trustee	Amsterdamsch Trustee's Kantoor B.V.
Uitgiftebedrag	EUR 1.000.000.000
Uitgifteprijs	100 procent.
Aflossing	De Effecten zijn eeuwigdurende effecten en kennen geen aflossingsdatum. De effecten kunnen naar keuze van de Emittent geheel doch niet gedeeltelijk worden afgelost tegen hun liquidatiepreferentie van EUR 100 per Effect, tezamen met eventuele Uitstaande Betalingen op de Rentebetaaldag die op 30 juni 2014 valt, of enige Rentebetaaldag daarna.
Rente	<p>De Effecten dragen een variabele rente met ingang van de Uitgiftedatum die betaalbaar wordt op elke Coupondatum (de 'Couponrente'). De van tijd tot tijd verschuldigde Couponrente wordt vastgesteld op elke Rentevaststellingsdatum voor de eerstvolgende Renteperiode en is gelijk aan het lineair geïnterpoleerde effectief rendement op de relevante Rentevaststellingsdatum voor twee Nederlandse staatsleningen waarvan de resterende looptijd de 10 jaar het dichtst benaderen (per die Rentevaststellingsdatum) (de 'Referentieleningen'), herberekend naar een kwartaaltarief, plus 0,10%. De eerste Rentevaststellingsdatum valt twee dagen vóór de laatste dag van de inschrijvingstermijn en de eerste Renteperiode loopt vanaf de Uitgiftedatum tot 30 september 2004 (i.e. 30 september 2004 niet inbegrepen)</p> <p>Indien er op enige Rentevaststellingsdatum geen Referentieleningen beschikbaar zijn, wordt de op de Effecten verschuldigde Couponrente berekend op basis van het geïnterpoleerde effectief rendement op de relevante Rentevaststellingsdatum van twee Europese staatsleningen waarvan de Calculation Agent, mede op basis van het advies van drie door de Calculation Agent te selecteren makelaars en/of market makers in Europese Staatsleningen, vaststelt dat deze geschikt zijn voor doeleinden van vaststelling van die Couponrente (de 'Vervangende Referentieleningen').</p> <p>Indien er op enige Rentevaststellingsdatum noch Referentieleningen, noch Vervangende Referentieleningen beschikbaar zijn, wordt op de Effecten verschuldigde Couponrente berekend op basis van het geïnterpoleerde effectief rendement op de betrokkenen Rentevaststellingsdatum van twee leningen die zoveel mogelijk identiek zijn aan de Referentieleningen voor wat betreft rendement, aard, resterende looptijd en kredietwaardigheid van de betreffende kredietnemers (de 'Vergelijkbare Obligaties').</p>

Mocht de Couponrente met betrekking tot een Renteperiode die overeenkomstig het hierboven bepaalde is vastgesteld meer bedragen dan 9%, dan zal de Couponrente voor die Renteperiode niet meer bedragen dan 9%.

Rentebetaaldagen

Behoudens als hieronder is uiteengezet, vinden Rentebetalingen achteraf per kwartaal plaats op 31 maart, 30 juni, 30 september en 31 december van elk jaar (elk hierna een ‘Rentebetaaldag’) met ingang van 30 september 2004.

Achterstelling

De Effecten vormen rechtstreekse, niet-gegarandeerde en achtergestelde effecten van de Emittent. De rechten en vorderingen van de Houders zijn achtergesteld bij de vorderingen van Preferente Schuldeisers (*Senior Creditors*). Met betrekking tot de Effecten is geen betaling verschuldigd en opeisbaar anders dan in zoverre de Emittent zowel ten tijde van de betaling als onmiddellijk daarna solvabel is.

**Rechten bij een
Uitwinningsprocedure**

Bij een uitwinningsprocedure ten gevolge van het faillissement van de Emittent zullen de Houders worden behandeld alsof zij houders waren van de door de Emittent uitgegeven preferente aandelen met de hoogste rangorde met een liquidatiepreferentie van EUR 100 vermeerderd met Uitstaande Betalingen en overigens gelijkelijk gerechtigd tot een terugbetaling van de activa van de Emittent bij een uitwinningprocedure aan de Houders. Die soort zou in rangorde achter de vorderingen van Preferente Schuldeisers (*Senior Creditors*) staan en *pari passu* met Parity Securities.

**Verplicht Uitstel van
Betaling**

Indien de Emittent, op de 20e Werkdag vóór de dag waarop een Betaling (welke term niet verwijst naar de hoofdsom) verschuldigd en opeisbaar zou zijn, vaststelt dat de betreffende Betaling, indien deze niet wordt uitgesteld overeenkomstig Voorwaarde 4 van de Voorwaarden van de Effecten, zal resulteren in insolventie van de Emittent, dient de Emittent die Betaling uit te stellen. Uitstel van Betaling op voornoemde wijze zal slechts plaatsvinden zolang de Emittent niet zal zijn onderworpen aan het door de Nederlandsche Bank of andere bevoegde autoriteit gehanteerde solvabiliteits-toezicht.

Een dergelijke uitgestelde betaling kan op elk moment door de Emittent worden voldaan waarbij deze een kennisgevingstermijn van tenminste 16 Werkdagen in acht dient te nemen terzake van die betaling. Tenzij de Emittent ervoor kiest een dergelijke betaling uit te stellen krachtens zijn algemene recht tot uitstel zoals hieronder uiteengezet, dient een dergelijke vereiste uitgestelde betaling te worden voldaan op de eerste Rentebetaaldag die volgt nadat 19 Werkdagen verstreken zijn na de dag waarop de Emittent vaststelt dat hij de solvabiliteitstoets doorstaat als genoemd in ‘Voorwaarden van de Effecten – 2. Status – (b)(i) Voorwaarde voor Betaling door de Emittent’. Er wordt geen rente vergoed ten aanzien van Verplicht Uitgestelde Couponbetalingen.

**Optioneel Uitstel van
Betaling**

De Emittent kan ervoor kiezen elke Betaling (welke term niet verwijst naar de hoofdsom) op de Effecten voor onbepaalde tijd uit te stellen. Indien de Emittent hiervoor kiest, is de uitgestelde betaling rentedragend tegen de Toepasselijke Couponrente gedurende de volledige periode van uitstel.

**Uitgestelde en Toekomstige
Rentebetalingen**

Elke Betaling die is uitgesteld, wordt onmiddellijk verschuldigd en opeisbaar wanneer de Emittent betalingen doet op Junior Securities of Parity Securities of deze inkoopt of aflost. Voorts geldt dat een betaling op Gewone Aandelen of andere Junior Securities tot gevolg heeft dat voor de

vier daaropvolgende Renteperiodes volledige betaling verplicht plaats zal vinden, ervan uitgaande dat een dergelijke betaling geldt voor een volledig jaar. Een betaling op Parity Securities heeft tot gevolg dat een proportionele betaling verplicht plaatsvindt voor het relevante aantal opeenvolgende Renteperiodes na de betaling op die Parity Securities.

Alternative Coupon Satisfaction Mechanism

Elke Uitgestelde Couponbetaling (inclusief de eventuele rentevergoeding daarop) wordt voldaan via het Alternative Coupon Satisfaction Mechanism. Beleggers zullen betalingen terzake van Effecten steeds in contanten ontvangen. De Emittent kan echter te allen tijde ervoor kiezen zijn verplichting tot het doen van Betalingen (anders dan betaling van de Hoofdsom) aan Houders te voldoen door uitgifte van zijn Gewone Aandelen voor een bedrag dat, bij verkoop van die Gewone Aandelen, voldoende contanten genereert voor de Emittent om volledige betalingen op de Effecten te kunnen doen terzake van de relevante Betaling. De Calculation Agent zal vooraf het aantal Gewone Aandelen berekenen dat dient te worden uitgegeven om het volledige geldbedrag te genereren dat verschuldigd is terzake van de Effecten op de Relevante Datum voor de Houders.

Ontoereikendheid

De Emittent is verplicht een naar zijn redelijk inzicht voldoende aantal Gewone Aandelen beschikbaar te houden voor uitgifte dat nodig zou zijn om de Couponbetaling of –betalingen voor het volgende jaar van tijd tot tijd te kunnen doen plaatsvinden via het Alternative Coupon Satisfaction Mechanism.

Marktverstoring

Indien er naar de mening van de Emittent, op of na de 15e Werkdag voorafgaand aan een datum waarop de Emittent verplicht zou zijn een Betaling te voldoen via het Alternative Coupon Satisfaction Mechanism, sprake is van een Marktverstoring terzake van de aandelen, kan de betaling aan Houders worden uitgesteld totdat die Marktverstoring niet meer bestaat. Dergelijke uitgestelde betalingen zijn rentedragend tegen de Couponrente indien de Marktverstoring 14 dagen of langer voortduurt.

Omwisseling naar Capital Securities

Indien zich een Regulatory Event voordoet zullen de Effecten worden omgewisseld naar door de Emittent uit te geven preferente aandelen of andere instrumenten, zulks naar inzicht van de Emittent (de '**Capital Securities**'). Bij een uitwinningprocedure ten gevolge van het faillissement van de Emittent zullen de Capital Securities in rang *pari passu* zijn met de in rang eerstkomende preferente aandelen van de Emittent. Eventuele renteaangroei, waaronder Uitgestelde Couponbetalingen op de Effecten op het moment dat de Effecten worden omgewisseld tot Capital Securities zullen 'overgaan' op de Capital Securities en dergelijke overgegangene Uitgestelde Couponbetalingen zullen worden voldaan door middel van het Alternative Coupon Satisfaction Mechanism zoals uiteengezet in Voorwaarde 6.

Additionele Bedragen

De Emittent zal Houders van de Effecten additionele bedragen betalen ter brutering van Betalingen bij verplichte heffing van bronbelasting, behoudens de gebruikelijke uitzonderingen. Op uitkeringen op de Capital Securities zal op grond van de huidige Nederlandse fiscale wetgeving in het algemeen Nederlandse dividendbelasting worden ingehouden tegen een tarief van 25%. Indien een houder van Capital Securities inwoner is van een land anders dan Nederland en indien tussen Nederland en dat land een verdrag bestaat ter voorkoming van dubbele belastingheffing, kan die houder van Capital Securities, afhankelijk van de bepalingen in dat verdrag,

in aanmerking komen voor gehele of gedeeltelijke vrijstelling, of terugbetaling, van Nederlandse bronbelasting.

Aflossing om fiscale redenen

Wanneer zich bepaalde wijzigingen voordoen in de behandeling van Effecten voor belastingdoeleinden als hieronder uiteengezet, kan de Emittent de Effecten geheel, doch niet gedeeltelijk, aflossen tegen de hoofdsom tezamen met eventuele Uitstaande Betalingen.

Aflossing om Regulatorische Redenen

Indien op enig moment nadat op de Emittent regelgeving terzake van kapitaaltoereikendheid van toepassing wordt en effecten van de aard van de Effecten of de Capital Securities niet langer kwalificeren als Tier 1 Vermogen (of instrumenten van soortgelijke aard die kwalificeren als *kernkapitaal*) voor de doeleinden van dergelijke regelgeving inzake kapitaaltoereikendheid, dan kan de Emittent (behoudens de voorafgaande goedkeuring van de betrokken toezichthouder) de Effecten of de Capital Securities geheel, doch niet gedeeltelijk) aflossen tegen de hoofdsom daarvan inclusief eventuele Uitstaande Betalingen of aanwas van niet-uitgekeerd dividend voor de dan vigerende dividendperiode tot en met de aflossingsdatum, al naar gelang hetgeen van toepassing is.

Middel bij niet-betaling

Het enige middel dat jegens de Emittent aan de Trustee of Houders van Effecten openstaat voor verhaal van bedragen die verschuldigd zijn met betrekking tot de Effecten is het instellen van een procedure tot faillietverklaring van de Emittent en/of verificatie van schulden bij een uitwinningprocedure ten gevolge van een dergelijke faillietverklaring.

Vorm

De Effecten worden vertegenwoordigd door een Global Security aan toonder (de 'Global Security'), zonder coupons, voor de hoofdsom van EUR 1.000.000.000. De Global Security wordt bij Euroclear Netherlands (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*) in bewaring gesteld. De Global Security zal niet kunnen worden omgewisseld in definitieve Effecten aan toonder.

Clearing-systemen

Euroclear Netherlands, Clearstream en Euroclear.

Verkoopbeperkingen

Het aanbieden en verkopen van de Effecten wordt beheerst door alle toepasselijke verkoopbeperkingen. Zie 'Inschrijving en Verkoop' op pagina 50.

Notering

Voor de Effecten is een notering is aangevraagd op het Officiële Segment van de Aandelenmarkt van Euronext Amsterdam N.V. en Euronext Brussels S.A./N.V. Voorzien wordt dat de Effecten een prijsnotering zullen krijgen als percentage van hun hoofdsom van EUR 100.

Ratings

Naar verwachting zullen de Effecten bij uitgifte een rating krijgen van 'A-' door Standard & Poor's Rating Services, dat onderdeel uitmaakt van McGraw-Hill Companies, Inc., en een rating van 'A2' door Moody's Investor Service. Een credit rating is geen aanbeveling tot het kopen, verkopen of houden van effecten en kan op elk moment door de betrokken rating-organisatie worden herzien, opgeschort of ingetrokken.

Toepaselijk recht

Op de Effecten is Nederlands recht van toepassing.

TERMS AND CONDITIONS OF THE SECURITIES

The following, subject to alteration, are the terms and conditions of the Securities which will be endorsed on the Global Security:

The Securities are constituted by the Trust Deed. The issue of the Securities was authorised pursuant to resolutions of the Executive Board of the Issuer passed on May 4, 2004. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed. Copies of the Trust Deed, the Agency Agreement and the Calculation Agency Agreement are available for inspection during normal business hours by the Holders at the registered office of the Trustee, being at Olympic Plaza, Fred Roeskestraat 123, 1076 EE Amsterdam and at the specified office of each of the Paying Agents. The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Agency Agreement and the Calculation Agency Agreement applicable to them.

1. Form, Denomination and Title

(a) *Form and Denomination*

The Securities are in bearer form and shall be in denominations of € 100 each. The Securities will be represented by a Global Security without Coupons, in the principal amount of € 1,000,000,000. The Global Security will be deposited with Necigef and thereby become subject to the Dutch Securities Giro Transfer Act (*Wet Giraal Effectenverkeer 'WGE'*). The Global Security will not be exchangeable for definitive bearer Securities.

(b) *Transfer and Title*

Interests in the Global Security will be transferable only in accordance with the provisions of the WGE and the rules and procedures for the time being of Euroclear Netherlands and its participants (*aangesloten instellingen*) and all transactions in (including transfer of) Securities, in the open market or otherwise must be effected through participants of Euroclear Netherlands. The bearer of a Global Security will be the only person entitled to receive payments in respect of the Global Security. Each person who is for the time being shown in the records of Euroclear Netherlands or any of its participants as the holder of a particular nominal amount of such Securities (each an '**Accountholder**') (in which regard any certificate or other document issued by Euroclear Netherlands or such participant as to the nominal amounts of Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agent as the holder of such nominal amount of such Securities for all purposes other than with respect to the payment of principal or interest on the Securities, for which purpose the bearer of the Global Security shall be treated by the Issuer and the Paying Agent as the holder of such Securities in accordance with and subject to the terms of the Global Security.

2. Status

(a) *Status and Subordination of the Securities*

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

- (b) (i) *Condition of Payment by the Issuer:* The rights and claims of the holders under the Securities are subordinated to the claims of Senior Creditors, in that payments in respect of the Securities (and the issue of Ordinary Shares in accordance with Condition 6) are conditional upon the Issuer being solvent at the time of payment (or at the time of issue of such Ordinary Shares) by the Issuer and in that no principal or Payments shall be due and payable in respect of the Securities (including the issue of Ordinary Shares in accordance with Condition 6) except to the extent that the Issuer could make such payment (or make such issue of Ordinary Shares) and still be solvent immediately thereafter.

The Issuer shall be solvent if (a) it is able to pay its debts to Senior Creditors as they fall due and (b) its Assets exceed its Liabilities (other than its Liabilities to persons who are not Senior Creditors). For the purposes of this Condition 2(b)(i) any reference to a payment by the Issuer in respect of an Security shall be deemed to include a purchase of such Security by the Issuer.

- (ii) *Winding-Up Claims of the Issuer*: Amounts in respect of principal or Payments in respect of which the conditions referred to in Condition 2(b)(i) are not satisfied on the date up on which the same would otherwise be due and payable ('Winding-Up Claims') will be payable by the Issuer in a winding-up of the Issuer as provided in Condition 3 and on any redemption pursuant to Condition 8(b), 8(c) or 8(d). A Winding-Up Claim shall not bear interest.
- (iii) *Senior Instruments*: So long as any of the Securities remains outstanding, the Issuer agrees that it will not issue any preference shares (or other securities regardless of name or designation which are akin to preference shares as regards distributions on a return of assets on a winding-up of the Issuer or in respect of distribution or payment of dividends and/or any other amounts thereunder by the Issuer) or create any guarantee of or provide any contractual support arrangement in respect of any of its preference shares or such securities or in respect of any other entity if such preference shares, preferred securities, guarantees or contractual support arrangements would rank (as regards distributions on a return of assets on a winding-up of the Issuer or in respect of distribution or payment of dividends and/or any other amounts thereunder by the Issuer) senior to the Securities. This prohibition will not apply if the Trust Deed and the Securities are amended to ensure that the Trustee and the Holders obtain such of those rights and entitlements as are contained in or attached to such preference shares or preferred securities or under such guarantee or contractual support arrangements are required so as to ensure that the Securities rank *pari passu* with, and contain substantially equivalent rights of priority as to distributions or payments on, such preference shares or preferred securities or under such guarantee or contractual support arrangement as the Trustee shall in its absolute discretion determine to be not materially less beneficial to the interests of the Holders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed).
- (iv) *Set-off*: Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Securities and each Holder shall, by virtue of being the bearer of any Security, be deemed to have waived all such rights of set-off.

3. Winding-up

If at any time an order is made, or an effective resolution is passed, for the winding-up of the Issuer (except in any such case a solvent winding-up solely for the purpose of a reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business (as defined in the Trust Deed) of the Issuer, the terms of which reconstruction, amalgamation or substitution have previously been approved in writing by the Trustee or by an Extraordinary Resolution), there shall be payable by the Issuer in respect of each Security (in lieu of any other payment by the Issuer), such amount, if any, as if such Holder were the holder of one of a class of preference shares in the capital of the Issuer (the 'Notional Preference Shares') having an equal right to a return of assets in the winding up to and so ranking *pari passu* with the holders of the most senior class or classes of preference shares (if any) from time to time issued by the Issuer which have a preferential right to a return of assets in the winding-up over and so rank ahead of the holders of all other classes of issued shares for the time being in the capital of the Issuer, but ranking junior to the claims of Senior Creditors on the assumption that the amount that such Holder was entitled to receive in respect of each Notional Preference Share on a return of assets in such winding-up, were an amount equal to the liquidation preference of € 100 of the relevant Security and any other Outstanding Payments.

For the avoidance of doubt, on any winding-up of the Issuer, Holders are only entitled to receive in respect of each Security, any amount equal to the liquidation preference of such Security of € 100 and any other Outstanding Payments.

In a winding-up of the Issuer, Holders of the Securities will only have a claim for payment in full or part of principal and Deferred Coupon Payments, if any, to the extent that distributable assets of the Issuer are sufficient to pay in full or part such amount of principal and such Deferred Coupon Payments.

4. Deferrals

The Issuer must make each Coupon Payment on the relevant Coupon Payment Date subject to and in accordance with these Terms and Conditions. However, subject to Condition 4(c), the Issuer may defer a Coupon Payment and any other Payment in the following circumstances:

(a) *Required Deferral of Payments*

- (i) Subject to Condition 4(c) and subject to the Issuer not becoming subject to capital adequacy regulations as applied and enforced by the Dutch Central Bank or any appropriate regulator, if, on the 20th Business Day preceding the date on which any Payment would, in the absence of deferral in accordance with this Condition 4, be due and payable, the Required Deferral Condition is met, any such Payment must (subject to Condition 6) be deferred by the Issuer giving notice (a 'Deferral Notice') to the Trustee, the Holders, the Principal Paying Agent and the Calculation Agent not less than 16 Business Days prior to such date.

Subject to Condition 4(c), if, following the deferral of a Payment by the Issuer under this Condition 4(a)(i), the Required Deferral Condition is no longer met on the 20th Business Day preceding a Coupon Payment Date, then the Issuer shall satisfy such Payment on the relevant Deferred Coupon Satisfaction Date having given, not less than 16 Business Days prior to the Deferred Coupon Satisfaction Date, notice to the Trustee, the Holders and the Calculation Agent that it will satisfy such Payment on such date.

- (ii) The Issuer shall not satisfy such Payment on the relevant Deferred Coupon Satisfaction Date referred to in Condition 4(a)(i) above, if:
- (1) it has previously elected to satisfy such Payment earlier (provided that, at the time of satisfying such payment, the Required Deferral Condition fails to be met) by delivering a notice to the Trustee, the Holders, the Principal Paying Agent and the Calculation Agent not less than 16 Business Days prior to the relevant Deferred Coupon Satisfaction Date that it will satisfy such Payment on such date; or
- (2) it validly elects to defer under Condition 4(b) the Payment which would otherwise have been satisfied under Condition 4(a)(i).
- (iii) If any Payment is deferred pursuant to this Condition 4(a) then no amount will be payable by way of interest on any such deferred Payment, save as provided in Condition 6(e).

Any such deferred Payment shall be satisfied by means (and, unless the prior consent of the relevant regulator obtained, only by means) of the issue of Ordinary Shares in accordance with Condition 6.

(b) *Optional Deferral of Payments*

- (i) Subject to Condition 4(c), the Issuer may in respect of any Payment which would, in the absence of deferral in accordance with this Condition 4, be due and payable, defer all or part of such Payment by giving a notice (also a 'Deferral Notice') to the Trustee, the Principal Paying Agent, the Calculation Agent and the Holders not less than 16 Business Days prior to the relevant due date. Subject to Condition 4(c), the Issuer may then satisfy any such Payment at any time by means (and, unless the prior consent of the relevant regulator is obtained, only by means) of an issue of Ordinary Shares in accordance with Condition 6 upon delivery of a notice to the Trustee, the Principal Paying Agent and the Calculation Agent not less than 16 Business Days prior to the relevant Deferred Coupon Satisfaction

Date informing them of its election to so satisfy such Payment and specifying the relevant Deferred Coupon Satisfaction Date.

- (ii) If any Payment is deferred pursuant to this Condition 4(b) then such deferred Payment shall bear interest at the Applicable Coupon Rate from (and including) the date on which (but for such deferral) the Deferred Coupon Payment would otherwise have been due to be made to (but excluding) the relevant Deferred Coupon Satisfaction Date.
- (c) *Dividend Pusher; Mandatory Payments and Mandatory Partial Payments*
The Issuer may give a Deferral Notice under Condition 4(a) and 4(b) above in its sole discretion and for any reason, except that a Deferral Notice as to a Payment required to be paid pursuant to (i), (ii) or (iii) below shall have no force or effect.

The Issuer agrees that, beginning on the day the Issuer gives a Deferral Notice until all Deferred Coupon Payments are paid or satisfied in full, the Issuer will not recommend to its shareholders, and to the fullest extent permitted by applicable law will otherwise act to prevent, any action which would constitute a Mandatory Payment Event or a Mandatory Partial Payment Event.

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

- (i) If a Mandatory Payment Event or a Mandatory Partial Payment Event occurs then all Deferred Coupon Payments will become mandatorily due and payable in full on the date of the Mandatory Payment Event or Mandatory Partial Payment Event, notwithstanding any further Deferral Notice or an occurrence or continuance of the Required Deferral Condition.

Unless the prior consent of the relevant regulator is obtained, the Issuer may satisfy its obligations to pay such Deferred Coupon Payment only in accordance with the Alternative Coupon Satisfaction Mechanism. For the avoidance of doubt the Issuer will not be required to utilise the Alternative Coupon Satisfaction Mechanism in order to satisfy its obligation to pay any Mandatory Partial Payment payable on a Mandatory Partial Payment Date that coincides with the date on which such Deferred Coupon Payment has become mandatory due and payable in full.

- (ii) If a Mandatory Payment Event occurs, then subject as provided in the next sentence, the Coupon Payments payable on the next four Coupon Payment Dates will be mandatorily due and payable in full on such next Coupon Payment Date, notwithstanding any Deferral Notice as to such Coupon Payments or the occurrence or continuance of any Required Deferral Condition. If the Mandatory Payment Event is a payment on a Junior Security or on a Junior Guarantee or on a security benefitting from a Junior Guarantee which in each case is in respect of a semi annual dividend, then the Coupon Payments payable on only the next two Coupon Payment Dates will be mandatorily due and payable in full on such Coupon Payment Dates, notwithstanding any Deferral Notice as to such Coupon Payments or the occurrence or continuance of any Required Deferral Condition. The Issuer is permitted, but shall not be required, to satisfy its obligation to make the Coupon Payment payable on such Coupon Payment Date in accordance with the Alternative Coupon Satisfaction Mechanism.
- (iii) If a Mandatory Partial Payment Event occurs, then Mandatory Partial Payments will be mandatorily due and payable in respect of each Security, notwithstanding any Deferral Notice or an occurrence of the Required Deferral Condition. Such Mandatory Partial Payments shall be payable on the immediately next four consecutive Coupon Payment Dates, the immediately next two consecutive Coupon Payment Dates or the immediately next Coupon Payment Date, as the case may be, after the occurrence of such Mandatory Partial Payment Event, depending on whether the Parity Securities pay dividends or income distributions on an annual basis, a semi annual basis or a quarterly basis, as the case

may be. The Issuer is permitted, but shall not be required, to satisfy its obligation to pay any Mandatory Partial Payments in accordance with the Alternative Coupon Satisfaction Mechanism.

5. Coupon Payments

(a) *Coupon Payment Dates*

Subject to Condition 4(b)(ii), the Securities bear interest from (and including) the Issue Date. Such interest will (subject to Conditions 2(b)(i), 4(a), 4(b), 6(d) and 6(e)) be payable quarterly in arrear on each Coupon Payment Date. Each Security will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest at the prevailing rate in accordance with this Condition (both before and after judgment) as provided in the Trust Deed.

If any Coupon Payment Date would otherwise fall on a day which is not a Business Day it shall be postponed to the next Business Day unless it would then fall into the next calendar month in which event the Coupon Payment Date shall be brought forward to the preceding Business Day and after the foregoing each subsequent Coupon Payment Date is the last Business Day of the month which falls three months after such Coupon Payment Date.

(b) *Coupon Rate*

The Coupon Rate payable from time to time in respect of the Securities will be determined on the basis of the following provisions:

- (i) the rate of interest payable from time to time in respect of the Securities will be determined on each Interest Determination Date for the next succeeding Coupon Period by the Calculation Agent on the Interest Determination Date in question. The Coupon Rate for the Coupon Period shall be the linear interpolated effective yield calculated on the opening prices on the relevant Interest Determination Date for two Dutch state loans with remaining terms most closely corresponding to 10 years (as from such Interest Determination Date) (the '**Reference Loans**') recalculated to a quarterly based rate plus 0.10%, whereby one Reference Loan has a remaining term shorter than 10 years and one Reference Loan a remaining term longer than 10 years;
- (ii) If on any Interest Determination Date no Reference Loans are available, the Coupon Rate payable on the Securities will be calculated on the basis of the interpolated effective yield on the relevant Interest Determination Date of two such other European government bonds as the Calculation Agent may, with the advice of three brokers of and/or market makers in European government bonds selected by the Calculation Agent, determined to be appropriate for purposes of determining such Coupon Rate (the '**Substitute Reference Loans**').
- (iii) If on any Interest Determination Date neither Reference Loans nor Substitute Reference Loans are available, the Coupon Rate payable on the Securities will be calculated on the basis of the interpolated effective yield on the relevant Interest Determination Date for two loans which are as much as possible identical in terms of yield, nature, remaining term and creditworthiness of the borrowers thereunder to the Reference Loans (the '**Comparable Bonds**').
- (iv) If the Coupon Rate in respect of any Coupon Period determined in accordance with the above provisions is greater than 9%, the Coupon Rate for such Coupon Period shall be 9%.

(c) *Determination and Publication of Coupon Rate and Coupon Amounts*

The Calculation Agent will, upon the determination of each Coupon Rate pursuant to Condition 5(b), calculate the Coupon Amount and cause the Coupon Rate and each Coupon Amount payable in respect of a Coupon Period to be notified to the Trustee, the Issuer, the Principal Paying Agent, Euronext Amsterdam N.V., Euronext Brussels S.A./N.V. and the

Holdings and to be published on the website of the Issuer as soon as possible after their determination but in no event later than the fourth Business Day thereafter.

Whenever it is necessary to calculate an amount of interest in respect of any Security for any period, such interest shall be calculated by applying the Coupon Rate prevailing for such period to the principal amount of such Security, multiplying such sum by the actual number of days in the relevant period divided by 365 or, in the case of a period falling in a leap year, 366, and rounding the resultant figure to the nearest cent, half a cent being rounded upwards.

(d) *Determination or Calculation by Trustee*

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

6. Alternative Coupon Satisfaction Mechanism

(a) *Alternative Coupon Satisfaction Mechanism*

The Issuer may elect to satisfy any Payment in full or in part (in which case any reference in this Condition 6 to a 'Payment' shall be construed accordingly) through the issue of Ordinary Shares, which, when sold, will provide a cash amount sufficient to make payments due in respect of the relevant Payment in accordance with this Condition 6, in which case the Issuer shall notify, the Trustee, the Principal Paying Agent and the Calculation Agent not less than 16 Business Days prior to the relevant Coupon Payment Date. In the absence of or save to the extent of such election and issue, subject to Condition 4(a) (*Required Deferral of Payments*) and Condition 4(b) (*Optional Deferral of Payments*), Payments must be satisfied in accordance with Condition 9(a), provided that if under Condition 4(a) (*Required Deferral of Payments*) the Required Deferral Condition is met the relevant Payment must be deferred unless (i) the Issuer is solvent again or (ii) a Mandatory Payment Event or a Mandatory Partial Payment Event occurs.

(b) *Issue of shares* If any Payment is to be satisfied in accordance with the Alternative Coupon Satisfaction Mechanism then, subject to Conditions 6(d) and 6(e):

(i) by close of business on or before the seventh Business Day prior to the relevant Coupon Payment Date or Deferred Coupon Satisfaction Date the Issuer will have authorised for issue such number of Ordinary Shares (the 'Payment Ordinary Shares') as, in the determination of the Calculation Agent, have a market value of not less than the relevant Payment to be satisfied in accordance with this Condition 6;

(ii) the Calculation Agent will procure purchasers for such Ordinary Shares as soon as after above-mentioned authorisation for the issue of Ordinary Shares, but not later than the fourth Business day prior to the Relevant Date.

(iii) if, after the operation of the above procedures, there would in the opinion of the Calculation Agent be a shortfall on the date on which the relevant Payment is due, the Issuer shall issue further Ordinary Shares in accordance with the provisions of the Trust Deed to ensure that a sum at least equal to the relevant Payment is available to make the Payment in full on the relevant due date provided that if, despite the operation of the aforementioned provisions,

such a shortfall exists on the relevant due date the Issuer may, in accordance with the provisions of the Trust Deed either pay an amount equal to such shortfall as soon as practicable to the Trustee or continue, to issue Ordinary Shares until the Principal Paying Agent shall have received funds equal to the full amount of such shortfall.

(c) *Receipt of cash proceeds in respect of Issue of Ordinary Shares satisfies Payment*

Where the Issuer either elects or is required to make a Payment hereunder by issuing Ordinary Shares and in accordance with its obligations under the Trust Deed issues such shares, the Issuer will sell such shares in the market as instructed by the Calculation Agent. Receipt of the cash proceeds by the Issuer on the sale of the Ordinary Shares in the market by the Issuer shall, subject to Condition 6(b)(iii) and 6(e), be used to satisfy the relevant Payment or, as the case may be, in the circumstances referred to in (d) below, the relevant part of such Payment. The proceeds of sale of Ordinary Shares in accordance with this Condition 6 shall be paid by the Principal Paying Agent to the Holders in respect of the relevant Payment.

(d) *Insufficiency*

(i) If the Issuer is to satisfy a Payment in accordance with this Condition 6 and does not, on the date when the number of Ordinary Shares required to be issued is determined in accordance with this Condition 6, have sufficient number of Ordinary Shares available for issue, then the Issuer shall notify the Trustee, the Principal Paying Agent, the Calculation Agent and the Holders that all or part, as the case may be, of the relevant Payment cannot be so satisfied due to the events described in this paragraph. In this case the Payment or part thereof shall be satisfied following the date of the next annual general meeting or extraordinary general meeting of shareholders of the Issuer at which a resolution is passed making a sufficient number of Ordinary Shares available to satisfy all or such part of the relevant Payment provided that if the number of Ordinary Shares authorised to be issued at any such meeting is insufficient to satisfy all or such part of the relevant Payment then those Ordinary Shares so issued shall be applied by the Issuer in part satisfaction of all or such part of the relevant Payment. Following the passage of any such resolution, the Issuer shall notify the Trustee, the Paying Agent, the Calculation Agent and the Holders of the date upon which the relevant Payment or, as the case may be, the part thereof is to be made in accordance herewith on not less than 16 Business Days' notice. The relevant Payment or, as the case may be, the part thereof which is not so satisfied shall, unless it is a required Deferred Coupon Payment which had been deferred under Condition 4(a) and has not been subsequently either satisfied or deferred in accordance with Condition 4(b), continue to accrue interest at the rate specified in Condition 4(b)(ii) from (and including) the date on which Payment would otherwise have been due to (but excluding) the date on which such Payment or part thereof is satisfied or, in the event of a Market Disruption Event, the date on which such Payment or part thereof would, but for the occurrence of such Market Disruption Event, have been satisfied (from which date interest (if any) will accrue on such Payment as provided in Condition 6(e)).

(ii) If, in the case of an insufficiency of Ordinary Shares, the Issuer does not hold an annual general meeting within 6 months of giving the above first-mentioned notice, at which a resolution to make a sufficient number of Ordinary Shares so available is proposed, the Trustee shall by notice require the Issuer to convene an extraordinary general meeting at which such a resolution shall be proposed on a date falling within 10 weeks of such notice from the Trustee.

(iii) In the event that any such resolution proposed at any such annual general meeting or extraordinary general meeting of the Issuer is rejected, such resolution will be proposed at each annual general meeting or any extraordinary general meeting of the Issuer thereafter until such time as such resolution has been passed by the shareholders of the Issuer.

(e) *Market Disruption*

Notwithstanding the provisions of Condition 6(b), if there exists, in the opinion of the Issuer (subject, where necessary, to determinations made by the Calculation Agent), a Market Disruption Event on or after the 15th Business Day preceding any date upon which a Payment or, in the case of an insufficiency as provided in paragraph (d) above, part thereof is due to be made or satisfied in accordance with this Condition 6, then the Issuer may give a notice to the Trustee, the Principal Paying Agent, the Calculation Agent and the Holders as soon as possible after the Market Disruption Event has arisen or occurred, whereupon the relevant Payment shall be deferred until such time as (in the opinion of the Issuer) the Market Disruption Event no longer exists.

Any such deferred Payment or part thereof will be satisfied as soon as practicable following such time as the Market Disruption Event no longer exists. Interest shall not accrue on such deferred Payment or part thereof unless, as a consequence of the existence of a Market Disruption Event, the Issuer does not make the relevant Payment or part thereof for a period of 14 days or more after the due date therefor, in which case interest shall accrue on such deferred Payment or part thereof from (and including) the date on which the relevant Payment or part thereof was due to be made to (but excluding) the date on which such Payment or part thereof is made. Any such interest shall accrue at the rate provided for in Condition 5 and shall be satisfied only in accordance with this Condition 6 and as soon as reasonably practicable after the relevant deferred Payment is made. No liability shall attach to the Trustee or its agents if, as a result of a Market Disruption Event or any other event outside the control of the Trustee or any such agent, the Trustee or any such agent is unable to comply with the provisions of Condition 6(b).

(f) *Agents*

The Issuer will certify to the Trustee that the proceeds used to make any Deferred Coupon Payment have been funded through the issue of Ordinary Shares which will provide the cash amount due in respect of the Deferred Coupon Payment.

The Calculation Agent will agree to use its reasonable endeavours to procure purchasers for such number of Ordinary Shares that would be required, in its determination, to be issued and allotted to raise the proceeds of an amount not less than the relevant Deferred Coupon Payment to be satisfied.

The Calculation Agent will undertake the above mentioned role no less than 14 days prior to a Deferred Coupon Payment Date.

7. Conversion of Securities into Capital Securities

Upon the occurrence of a Regulatory Event, the Issuer will convert the Securities into preference shares or other instruments issued by the Issuer such to the discretion of the Issuer (the '**Capital Securities**'). Subject to all laws including the capital adequacy rules of the Dutch Central Bank, which may apply to the Securities in order to be qualified as Tier 1 Capital on the date all necessary consents, approvals and authorisations for the issue of the Capital Securities have been obtained by the Issuer and which may provide otherwise, the Capital Securities are intended to provide the holders thereof, in all material respects with the same economic rights and benefits as are attached to the Securities. See 'Description of the Capital Securities' for a description of the material terms and provisions of the Capital Securities.

Any interest accrued including Deferred Coupon Payments on the Securities at the time when the Securities are converted into Capital Securities will be 'transferred' to the Capital Securities and any such 'transferred' Deferred Coupon Payments will be settled by means of the Alternative Coupon Satisfaction Mechanism as described in Condition 6.

The Issuer will take as from the Issue Date all reasonable steps to ensure that it will have a sufficient number of authorised but unissued Capital Securities to permit the conversion thereof into all outstanding Securities and undertakes to take all reasonable steps to ensure that all corporate authorisations will have been taken on or prior to the next succeeding annual shareholder's meeting of the Issuer for the allotment and issue of the Capital Securities free from pre-emptive rights. The Issuer further undertakes (a) that it will take

all reasonable steps to obtain a listing on the Official Segment of the Stock Market of Euronext Amsterdam N.V. and Euronext Brussels S.A./N.V. for the Capital Securities and (b) it will pay any taxes or capital duties or stamp duties payable in the Netherlands arising on the allotment and issue of the Capital Securities.

As soon as reasonably practicable following the occurrence of a Regulatory Event, the Issuer shall cause notice thereof to be given in accordance with Condition 17 and will give written notice to the Holders enclosing a conversion confirmation (the '**Conversion Confirmation**') which each Holder will be required to complete. The form of such Conversion Confirmation shall also be made available at the offices of each Paying Agent. To receive Capital Securities in respect of its holding of Securities, each Holder must deliver to a Paying Agent, within 30 days of receipt of such notice, a Conversion Confirmation together with the certificate representing its holding of Securities or other evidence of entitlement satisfactory to the Issuer. Any such Conversion shall be effected subject in each case to any applicable fiscal laws or other laws or regulations.

The Issuer will use all reasonable endeavours to procure that certificates (if any) for Capital Securities issued on Conversion will be despatched by mail free of charge (but uninsured and at the risk of the person entitled thereto) within one month after receipt of a duly completed Conversion Confirmation. Upon the Issuer taking steps to effect a Conversion following the occurrence of a Regulatory Event but prior to the relevant Conversion being effected, Holders will have no further rights, title or interest in or to Securities except the right to have their respective Securities converted in the manner described above. Notwithstanding the foregoing, if Capital Securities are required to be issued, Holders will continue to be entitled to receive Payments and/or a liquidation distribution in respect of the Securities until such time as notice is given by the Issuer in accordance with Condition 17 that the Capital Securities are available for issue.

The Capital Securities will be paid in full by set-off of the contribution obligation of the Holders in respect of the Capital Securities against the debt owed to them by the Issuer in respect of the Securities.

8. Redemption and Purchases

(a) No Fixed Redemption Date

The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Conditions 2 and 3 and without prejudice to the provisions of Condition 13) only have the right to repay them in accordance with the following provisions of this Condition 8.

(b) Issuer's Call Option

Subject to Condition 2(b)(i), the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 17 and to the Principal Paying Agent and the Trustee, which notice shall be irrevocable, elect to redeem all, but not some only, of the Securities on the Coupon Payment Date falling on 30 June 2014 or any Coupon Payment Date thereafter at their principal amount together with any Outstanding Payments.

(c) Redemption due to Taxation

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

- (i)* the Issuer would, for reasons outside its control, be unable to make such payment without being required to pay additional amounts as provided or referred to in Condition 12; or
- (ii)* payments of amounts in respect of interest on the Securities including, for the avoidance of doubt, the issue of Ordinary Shares pursuant to Condition 6, may be treated as 'distributions' within the meaning of Section II of the Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*) (or such other Section and/or Act as may from time to time supersede or replace Section II of the Dividend Withholding Tax Act 1965 for the purposes of such definition) and such requirement or circumstance cannot be avoided by the Issuer taking such measures as it (acting in good faith) deems appropriate; or

(iii) as a result of any change in or proposed change in, or amendment to or proposed amendment to, the laws of the Netherlands or any political subdivision or authority thereof having power to tax, or any change in or proposed change in the application of official or generally published interpretation of such laws, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such law or regulations that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written confirmation given by a tax authority in respect of the Securities, which change or amendment becomes, or would become, effective, or in the case of a change or proposed change in law if such change is enacted (or, in the case of a proposed change, is expected to be enacted) by Act of Parliament or made by Statutory Instrument on or after 11 June 2004, there is more than an insubstantial risk that the Issuer will not obtain full or substantially full relief for the purposes of Dutch corporation tax for any payment of interest including, for the avoidance of doubt, where the payment of interest is to be satisfied by the issue of Ordinary Shares, then the Issuer may (and subject to Condition 2(b)(i)), having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 17, the Holders (which notice shall be irrevocable), redeem, in accordance with these Terms and Conditions, at any time all, but not some only, of the Securities at their principal amount together with any Outstanding Payments.

Prior to the publication of any notice of redemption pursuant to this Condition 8(c), the Issuer shall deliver to the Trustee a certificate signed by a member of the Executive Board of the Issuer stating that the relevant requirement or circumstance referred to in paragraphs (i), (ii) or (iii) above is satisfied and the Trustee shall accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Holders.

(d) *Redemption for Regulatory Purposes*

At any time upon or after the Issuer becoming subject to capital adequacy regulations if the Issuer notifies the Trustee immediately prior to the giving of the notice referred to below that the relevant supervisor has determined that securities of the nature of the Securities can no longer qualify as Tier 1 Capital (or instruments of a similar nature which qualify as core capital) for the purposes of such capital adequacy regulations, then the Issuer may (subject to the prior consent of the relevant supervisor and Condition 2(b)(i)), having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 17, the Holders (which notice shall be irrevocable) redeem, in accordance with these Terms and Conditions, at any time all, but not some only, of the Securities at their principal amount together with any Outstanding Payments.

(e) *Purchases*

The Issuer, may (subject to Condition 2(b)(i)) at any time purchase Securities in any manner and at any price.

(f) *Cancellation*

Cancellation of any Securities so redeemed by the Issuer will be effected by reduction in the principal amount of the Global Security and may not be reissued or resold. Securities purchased by the Issuer, may be held, reissued, resold or, at the option of the Issuer, be cancelled by decreasing the number of Securities represented by the Global Security by an equal number. Any Securities so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Securities shall be discharged.

9. **Payments**

(a) *Method of Payment*

(i) Payments of principal and Coupon Amounts and all other payments on or in respect of the Securities will be in euro and will be calculated by the Calculation Agent and effected through the Paying Agents.

Payments of redemption amounts and interest in respect of the Securities will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Securities, surrender of the Global Security to the order of the Paying Agent. A record of each payment will be endorsed on the appropriate part of the schedule to the Global Security by or on behalf of the Paying Agent, which endorsement shall be prima facie evidence that such payment has been made in respect of the Securities.

- (ii) The names of the initial Paying Agents and their initial specified offices are set out below. The Issuer reserves the right, subject to the prior written approval of the Trustee at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that it will at all times maintain (aa) a Paying Agent having a specified office in the Netherlands (bb) for so long as the Securities are listed on the Official Segment of the Stock Market of Euronext Amsterdam N.V., Euronext Brussels S.A./N.V., or any other stock exchange or regulated securities market and the rules of such exchange or securities market so require, a Paying Agent having a specified office in such location as the rules of such exchange or securities market may require and (cc) if a European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 comes into force, a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to the Directive. Notice of any such termination or appointment and of any change in the specified offices of the Paying Agents will be given to the Holders in accordance with Condition 17.

(b) *Payments subject to fiscal laws*

All payments made in accordance with these Terms and Conditions will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 12.

(c) *Payments on Payment Business Days*

A Global Security may only be presented for payment on a day (other than a Saturday or a Sunday) on which (i) commercial banks are open for general business in Amsterdam and, if different, in the place of the specified office of the relevant Paying Agent to whom the Global Security is presented for payment and (ii) the Trans-European Real-time Gross settlement Express Transfer (TARGET) System is operating. No further interest or other payment will be made as a consequence of the day on which the Global Security may be presented for payment under this paragraph falling after the due date.

10. Pre-emption

The Issuer shall, from time to time, keep available for issue such number of Ordinary Shares as it reasonably considers would be required to be issued in order to satisfy the requirement to issue Payment Ordinary Shares in accordance with Condition 6 in connection with the next four Coupon Payments.

No damages will be payable for breach of this covenant but, in the event of breach by the Issuer of this Condition 10, the Trustee may require that the Issuer holds as soon as practicable an extraordinary general meeting of the shareholders of the Issuer at which a resolution is passed to remedy the breach.

The Trustee shall not be obliged to monitor compliance by the Issuer with this Condition and shall be entitled to assume, unless it has actual knowledge to be contrary, that the Issuer is complying with its obligations under this Condition.

11. Non-Payment when Due

Notwithstanding any of the provisions below in this Condition 11, the right to institute winding-up proceedings is limited to circumstances where payment has become due. Pursuant to Condition 2(b) and subject as provided in the next sentence no principal or Payment will be due by the Issuer if the Issuer is not solvent or would not be solvent if payment of such principal or Payment was made. Also, in the case of any Payment, such Payment will not be due if the Issuer has elected to defer that Payment pursuant to Condition 4(a) or 4(b) or if the circumstances referred to in any of Conditions 6(d) or 6(e) then apply. The

Trust Deed contains provisions entitling the Trustee to claim from the Issuer, inter alia, the fees, expenses and liabilities incurred by it in carrying out its duties under the Trust Deed. The restrictions on commencing proceedings described below will not apply to any such claim.

- (a) If the Issuer shall not make payment in respect of the Securities for a period of 14 days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Trust Deed, and the Securities and the Trustee may, notwithstanding the provisions of paragraph (b) of this Condition 11, institute proceedings in the Netherlands (but not elsewhere) for the winding-up of the Issuer.
- (b) Subject as provided in Condition 10, the Trustee may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed, the Securities (other than for the payment of any principal or satisfaction of any Payments in respect of the Securities, including any payment under Clause 2.6 of the Trust Deed) provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.
- (c) The Trustee shall not be bound to take any of the actions referred to in paragraph (a) or (b) above against the Issuer to enforce the terms of the Trust Deed or the Securities unless (i) it shall have been so requested by an Extraordinary Resolution or in writing by the holders of at least one-fifth in principal amount of the Securities then outstanding and (ii) it shall have been indemnified to its satisfaction.
- (d) No Holder shall be entitled to proceed directly against the Issuer, or to institute proceedings for the winding-up of the Issuer or to prove in such winding-up unless the Trustee, having become so bound to proceed or being able to prove in such winding-up, fails to do so within a reasonable period and such failure shall be continuing, in which case the Holder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise. No remedy against the Issuer shall be available to the Trustee or any Holder (i) for the recovery of amounts owing in respect of the Securities (including any payment under Clause 2.6 of the Trust Deed), other than the institution of proceedings in the Netherlands (but not elsewhere) for the winding-up of the Issuer and/or proving in such winding-up and (ii) for the breach of any other term under the Trust Deed, the Securities other than as provided in paragraph (b) above.

12. Taxation

- (a) All payments by the Issuer of principal, Coupon Amounts, Deferred Coupon Payments, Mandatory Partial Payments, Accrued Coupon Payments and Winding-Up Claims in respect of the Securities will be made without withholding of or deduction for, or on any account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of the Netherlands or any political subdivision thereof or by any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by Holders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Securities in the absence of such withholding or deduction, except that no such additional amounts shall be payable in relation to any payment with respect to any Security:
 - (i) to or to a third party on behalf of a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Security by reason of such Holder or, as the case may be, having some connection with the Netherlands other than the mere holding of such Security; or
 - (ii) to, or to a third party on behalf of, a Holder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

- (iii) to, or to a third party on behalf of, a Holder, that is a partnership, or a Holder, that is not the sole beneficial owner of the Security or which holds the Security in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of an additional amount had each of the members of the partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment; or
- (iv) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (v) where such withholding or deduction is required to be made pursuant to the European Union Directive on the taxation of savings (2003/48/EC) implementing the conclusions of the ECOFIN Council meeting of 3 June 2003 or any law implementing or complying with, or introduced in order to conform to, this Directive; or
- (vi) presented for payment in the Netherlands.

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

In the event that any payment is satisfied through the issue of Ordinary Shares pursuant to Condition 6, then any additional amounts which are payable shall also be satisfied through the issue of Ordinary Shares.

- (b) All payments by the Issuer in respect of the Capital Securities shall be made subject to deduction of, and withholding for, any taxes, duties, assessments or governmental charges of whatever 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. Distributions on the Capital Securities will, on the basis of current Dutch tax legislation, generally be subject to Netherlands dividend withholding tax at a rate of 25%. If a holder of Capital Securities is resident in a country other than the Netherlands and if a double taxation convention is in effect between the Netherlands and such country, such holder of Capital Securities may, depending on the terms of such double taxation convention, be eligible for a full or partial exemption from, or refund of, Netherlands dividend withholding tax.

13. Prescription

Claims for payment in relation to Securities will become void unless exercised within a period of 5 years from the Relevant Date.

14. Meetings of Holders, Modification, Waiver and Substitution

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

The Trustee may agree, without the consent of the Holders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Holders. Any such modification,

authorisation or waiver shall be binding on the Holders and, if the Trustee so requires, such modification shall be notified to the Holders as soon as practicable thereafter in accordance with Condition 17.

As provided in the Trust Deed, the Trustee may agree with the Issuer, without the consent of the Holders to substitution on a subordinated basis equivalent to that referred to in these Terms and Conditions of any holding company of the Issuer, any subsidiary of such holding company, any Subsidiary, any successor in business of the Issuer or any subsidiary of any successor in business of the Issuer (the 'Substituted Issuer') in place of the Issuer (or any previous Substituted Issuer under this Condition 14) as a new issuing party under the Trust Deed, the Securities and the Coupons. In connection with any proposed substitution as aforesaid and in connection with the exercise of its functions, the trustee shall have regard to the interests of the Holders as a class and the Trustee shall not have regard to the consequences of such substitution for individual Holders resulting from in particular their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the general interests of the Holders as a class and shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders except to the extent already provided for in Condition 12 and/or any undertaking given in addition thereto or in substitution therefor under the Trust Deed.

15. Replacement of the Securities

Should the Global Security, be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (or such other place of which notice shall have been given in accordance with Condition 17) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity and/or as the Issuer may reasonably require. The mutilated or defaced Global Security must be surrendered before any replacement Global Securities will be issued.

16. The Trustee

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

17. Notices

Notices to Holders may be given by the delivery of the relevant notice to Euroclear Netherlands except for so long as the Securities are listed on the Official Segment of the Stock Market of Euronext Amsterdam N.V. and/or Euronext Brussels S.A./N.V. and the rules of Euronext Amsterdam N.V. and/or Euronext Brussels S.A./N.V. so require, notices shall also be published in the Euronext Amsterdam Daily Official List (*Officiële Prijscourant*) of Euronext Amsterdam N.V. in *De Tijd* and in *L'Echo* and in newspapers having general circulation in The Netherlands and Belgium. Any such notice shall be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. Any Notice delivered to Euroclear Netherlands shall be deemed to have been given to the Holders on the day on which such notice is so delivered.

18. Further Issues

The Issuer is at liberty from time to time without the consent of the Holders to create and issue further Securities ranking *pari passu* in all respects (or in all respects save for the date from which interest

thereon accrues and the amount of the first payment of interest on such further Securities) and so that the same shall be consolidated and form a single series with the outstanding Securities. Any such Securities shall be constituted by a deed supplemental to the Trust Deed.

19. Agents

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

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

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

20. Governing Law and Jurisdiction

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

21. Definitions

In these Terms and Conditions:

'Accrued Coupon Payment' means, as at any time, where these Terms and Conditions provide that interest shall continue to accrue after a Coupon Payment Date in respect of a Security the amount of interest accrued thereon in accordance with Conditions 4(b), 5, 6(d) and 6(e);

'Agency Agreement' means the agency agreement dated 14 June 2004 between the Issuer, the Trustee and the Paying Agents relating to the Securities under which each Paying Agent agrees to perform the duties required of it under these Terms and Conditions;

'Applicable Coupon Rate' means in relation to any Payment deferred pursuant to Condition 4(b) or Condition 6(e), the Coupon Rate payable on the Securities as determined by the Calculation Agent in accordance with Condition 5(b) for the Coupon Periods during which such Payment is deferred;

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

'Business Day' means a day, other than a Saturday or Sunday, on which commercial banks and foreign exchange markets are open for general business in Amsterdam;

'Calculation Agency Agreement' means the calculation agency agreement dated June 14 2004 between the Issuer, the Trustee and the Calculation Agent, relating to the Securities under which the Calculation Agent agrees to perform the duties required of it under these Terms and Conditions;

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

'*Capital Securities*' means the preference shares or other instruments of the Issuer issued pursuant to Condition 7;

'*Conversion Date*' means the date the Securities are converted into Capital Securities issued by the Issuer;

'*Coupon Amount*' means (i) in respect of a Coupon Payment, the amount of interest payable on a Security for the relevant Coupon Period in accordance with Condition 5 and (ii) for the purposes of Conditions 8(c) and 8(d), any interest accrued from (and including) the preceding Coupon Payment Date (or, if none, the Issue Date) to (but excluding) the due date for redemption if not a Coupon Payment Date as provided for in Condition 5(b);

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

'*Coupon Payment Date*' means 31 March, 30 June, 30 September and 31 December in each year, starting 30 September 2004;

'*Coupon Period*' means the period commencing on (and including) the Issue Date and ending on (but excluding) the first Coupon Payment Date and each successive period commencing on (and including) a Coupon Payment Date and ending on (but excluding) the next succeeding Coupon Payment Date;

'*Coupon Rate*' has the meaning ascribed to that term in Condition 5(a);

'*Deferred Coupon Payment*' means:

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

'*Deferred Coupon Satisfaction Date*' means:

- (i) with respect to a deferral under Condition 4(a)(i), the Coupon Payment Date following the 19th Business Day after the Required Deferral Condition fails to be met or, if earlier, the date on which the Issuer has resolved to satisfy a Deferred Coupon Payment, as notified by the Issuer to the Trustee, the Holders, the Principal Paying Agent and the Calculation Agent in accordance with Condition 4(a)(ii); or
- (ii) the date on which the Issuer has resolved to satisfy a Deferred Coupon Payment, as notified by the Issuer to the Trustee, the Holders, the Principal Paying Agent and the Calculation Agent in accordance with Condition 4(b); or
- (iii) the date on which the Issuer is required to satisfy all Deferred Coupon Payments pursuant to Condition 4(c);

'*Distribution Payment Date*' means, for the purposes of making distributions on the Capital Securities, 31 March, 30 June, 30 September and 31 December of each year after the Conversion Date;

'Exchange' means an exchange of Securities for Capital Securities upon the occurrence of a Regulatory Event;

'Holder' means the bearer of any Security or Capital Security;

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

'Interest Determination Date' means the second Business Day before the commencement of each Coupon Period;

'Issue Date' means 16 June 2004, being the date of initial issue of the Securities;

'Issuer' means ING Groep N.V.;

'Junior Guarantee' means any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a Subsidiary or Undertaking and ranking on a winding-up of the Issuer or in respect of distributions or payment of dividends or any other payment thereon after the Securities;

'Junior Securities' means the Ordinary Shares or any other securities of the Issuer which rank as regards distributions on a return of assets on a winding-up of the Issuer or in respect of distributions or payment of dividends or any other payments thereon, after the Securities;

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

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

A *'Mandatory Payment Event'* shall occur if any of the following occurs:

- (i) the Issuer declares, pays or distributes a dividend or makes a payment (other than a dividend in the form of Ordinary Shares) on any of its Junior Securities or makes any payment on a Junior Guarantee;
- (ii) any Subsidiary or Undertaking declares, pays or distributes a dividend on any security issued by it benefitting from a Junior Guarantee or makes a payment (other than a dividend in the form of Ordinary Shares) on any security issued by it benefitting from a Junior Guarantee; or
- (iii) the Issuer or any Subsidiary or Undertaking redeems, purchases or otherwise acquires any of the Issuer's Junior Securities, any Parity Securities or any securities issued by any Subsidiary or Undertaking benefitting from a Junior Guarantee or Parity Guarantee (other than (1) by conversion into or in exchange for Ordinary Shares, (2) in connection with transactions effected by or for the account of customers of the Issuer or any Subsidiary or in connection with the distribution, trading or market making in respect of those securities, (3) in connection with the satisfaction by the Issuer or any Subsidiary of its obligations under any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants, (4) as a result of a reclassification of the Issuer or any Subsidiary or the exchange or conversion of one class or series of capital stock for another class or series of capital stock, or (5) the purchase of fractional interests in shares of the capital stock of the Issuer or any Subsidiary pursuant to the conversion or exchange provisions of that capital stock or the security being converted or

exchanged) for any consideration, or any moneys are paid to or made available for a sinking fund or for redemption of any of any Junior Securities, Parity Securities or any securities issued by any Subsidiary or Undertaking benefiting from a Junior Guarantee or Parity Guarantee;

A ‘*Mandatory Partial Payment Event*’ shall occur if any of the following occurs:

- (i) the Issuer declares, pays or distributes a dividend or makes a payment on any of its Parity Securities or makes any payment on a Parity Guarantee; or
- (ii) any Subsidiary or Undertaking declares, pays or distributes a dividend on any security issued by it benefiting from a Parity Guarantee or makes a payment on any security issued by it benefiting from a Parity Guarantee;

‘*Market Disruption Event*’ means (i) the occurrence or existence of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by Euronext Amsterdam N.V. or on settlement procedures for transactions in the Ordinary Shares on EuronextAmsterdam N.V. if, in any such case, that suspension or limitation is, in the determination of the Calculation Agent, material in the context of the sale of the Ordinary Shares, or (ii) in the opinion of the Issuer, there has been a substantial deterioration in the price and/or value of the Ordinary Shares or circumstances are such as to prevent or to a material extent restrict the issue or delivery of the Payment Ordinary Shares, or (iii) where, pursuant to these Terms and Conditions, moneys are required to be converted from one currency into another currency in respect of any Payment, the occurrence of any event that makes it impracticable to effect such conversion;

‘*Ordinary Shares*’ means ordinary shares of the Issuer or depository receipts issued in respect of such Ordinary Shares as the context may require;

‘*Outstanding Payment*’ means:

- (i) in relation to any Coupon Payment, Deferred Coupon Payment or Coupon Amount not falling within the definition of Coupon Payment, that such payment (a) has either become due and payable or would have become due and payable except for the non-satisfaction on the relevant date of the conditions referred to in Condition 2(b)(i) or the deferral, postponement or suspension of such payment in accordance with any of Conditions 4(a), 4(b), 6(d) or 6(e) and (b) in any such case has not been satisfied and:
- (ii) in relation to any Accrued Coupon Payment, any amount thereof which has not been satisfied whether or not payment has become due;

‘*Parity Securities*’ means, in respect of the Issuer any preference shares of the Issuer or other securities regardless of name or designation which are akin to preference shares as regards distributions on a return of assets on a winding-up of the Issuer or in respect of distribution or payment of dividends and/or any other amounts thereunder by the Issuer and which rank *pari passu* with the Securities as regards such distributions or payments;

‘*Parity Guarantee*’ means any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a Subsidiary or an Undertaking which are akin to preference shares of the Issuer or other securities (regardless of name or designation) of the Issuer or such Subsidiary or Undertaking and ranking on a winding-up of the Issuer or in respect of distributions or payment of dividends or any other payments thereon *pari passu* with the Securities;

‘*Paying Agents*’ means the paying agents appointed pursuant to the Agency Agreement and such term shall, unless the context otherwise requires, include the Principal Paying Agent;

'Payment' means any Coupon Payment, Deferred Coupon Payment, Accrued Coupon Payment or Coupon Amount not falling within the definition of Coupon Payment;

'Payment Ordinary Shares' has the meaning ascribed to it in Condition 6(b);

'Principal Paying Agent' means the principal paying agent appointed pursuant to the Agency Agreement;

'Regulatory Event' means that the Issuer, after becoming subject to capital adequacy regulations, shall have been notified in writing by the Dutch Central Bank to the effect that at any Coupon Payment Date or Distribution Payment Date, as applicable, the Issuer's capital adequacy ratio would after payment of the Coupon Payment or distributions on the capital securities, as applicable, be less than the minimum capital adequacy requirements as be applied and enforced by the Dutch Central Bank or any other appropriate regulator;

'Relevant Date' means (i) in respect of any payment other than a Winding-Up Claim, the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Principal Paying Agent or the Trustee on or prior to such date, the 'Relevant Date' means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Holders in accordance with Condition 17, and (ii) in respect of a Winding-Up Claim, the date which is one day prior to the commencement of the winding-up;

the 'Required Deferral Condition' in respect of the Securities will be met if, in the determination of the Issuer, on the relevant date, the Issuer is, or payment of the relevant Payment by the Issuer will result in the Issuer being insolvent;

the 'Required Deferral Condition' in respect of the Capital Securities will be met upon the occurrence of a Regulatory Event;

'Securities' means the euro 1,000,000,000 Perpetual Securities III, and such expression shall include, unless the context otherwise requires, any further Securities issued pursuant to Condition 18 and forming a single series with the Securities;

'Senior Creditors' means creditors of the Issuer (a) who are unsubordinated creditors of the Issuer, or (b) whose claims are, or are expressed to be, subordinated (whether only in the event of the winding-up of the Issuer or otherwise) to the claims of unsubordinated creditors of the Issuer but not further or otherwise, or (c) who are subordinated creditors of the Issuer other than those whose claims are, or are expressed to rank, *pari passu* with, or junior to, the claims of the Holders;

'Subsidiary' means a subsidiary of the Issuer within the meaning of Section 2 : 24a of the Dutch Civil Code;

'Trust Deed' means the trust deed dated 16 June 2004 between the Issuer and the Trustee;

'Trustee' means Amsterdamsch Trustee's Kantoor B.V.;

'Undertaking' means a body corporate, partnership, limited partnership, Cooperative or an incorporated association carrying on a trade or business with or without a view to profit in which the Issuer has a direct or indirect financial, commercial or contractual majority interest; and

'Winding-Up Claim' has the meaning ascribed to it in Condition 2(b)(ii).

DESCRIPTION OF THE CAPITAL SECURITIES

The following summary sets forth the material terms and provisions of the Capital Securities.

General

The Issuer will, upon the occurrence of a Regulatory Event, convert the Securities into preference shares or other instruments issued by the Issuer such to the discretion of the Issuer (the '**Capital Securities**').

Subject to all laws, including the capital adequacy rules of the Dutch Central Bank, which may apply to the Securities in order to be qualified as Tier 1 Capital on the date all necessary consents, approvals and authorisations have been obtained by the Issuer and which may provide otherwise, the Capital Securities are intended to provide the holders thereof, in all material respects with the same economic rights and benefits as are attached to the Securities.

Distributions

Distributions on the Capital Securities will be payable on 31 March, 30 June, 30 September, 31 December of each year after the Conversion Date (each a '**Distribution Payment Date**') and be calculated on the same economical basis and provisions as the Coupon Rate is calculated in respect of the Securities.

The Issuer may defer distributions on the Capital Securities, subject to the suspension of payments on the Issuer's ordinary shares and/or preference shares, (1) upon the occurrence of a Regulatory Event (Required Deferral) or (2) at its discretion elect to do so for any period of time (Optional Deferral).

Subordination

The Issuer's obligations under the Capital Securities will constitute direct, unsecured and subordinated obligations of the Issuer. The rights and claims of the holders of the Capital Securities will be subordinated to the claims of Senior Creditors, senior to Junior Securities and *pari passu* with the most senior preference shares of the Issuer.

Ranking

In a winding-up of the Issuer, the Capital Securities will rank *pari passu* with the most senior preference shares of the Issuer.

Form

The Capital Securities will be issued in bearer form.

Governing Law

The Capital Securities will be governed by Dutch law.

Addendum

Upon the occurrence of a Regulatory Event and the subsequent issue of Capital Securities by the Issuer, the Issuer will prepare an addendum to this Offering Circular which will contain a detailed description of the terms and provisions of the Capital Securities which will be available free of charge at the registered office of the Issuer and from the specified office of the Fiscal and Paying Agent.

ING GROEP N.V.

PROFILE

ING Groep N.V., also called ING Group, is the holding company of a broad spectrum of companies (together called ING), offering banking, insurance and asset management products to more than 60 million private, corporate and institutional clients in over 50 countries. Originating from the Netherlands, ING now has a workforce of almost 115,000 people worldwide. ING Group is a listed company and holds all shares of ING Bank N.V. and ING Verzekeringen N.V., which are non-listed 100% subsidiaries of ING Group.

INCORPORATION AND HISTORY

ING Groep N.V. was incorporated under Dutch law in the Netherlands on 21 January 1991 for an indefinite duration in the form of a public limited company as Internationale Nederlanden Groep N.V., also known as ING Group.

ING Group is the result of the merger between NMB Postbank Group and Nationale-Nederlanden in 1991. NMB Bank and Postbank, two leading Dutch banks, merged in 1989. The legal name of NMB Bank as holding company for the merged entities was changed into NMB Postbank Groep N.V. On 4 March 1991 NMB Postbank Groep N.V. merged with Nationale-Nederlanden N.V., the largest Dutch insurance group. On that date the newly formed holding company Internationale Nederlanden Groep N.V. honoured its offer to exchange the shares of NMB Postbank Groep N.V. and of Nationale-Nederlanden N.V. NMB Postbank Groep N.V. and Nationale-Nederlanden N.V. continued as sub-holding companies of Internationale Nederlanden Groep N.V. An operational management structure ensures a close co-operation between the banking and insurance activities, strategically as well as commercially. The sub-holding companies remain legally separate. After interim changes of names the statutory names of the above mentioned companies have been changed into ING Groep N.V., ING Bank N.V. and ING Verzekeringen N.V. on 1 December 1995.

The registered office is at Amstelveenseweg 500 (ING House), 1081 KL Amsterdam, the Netherlands. ING Groep N.V. is registered at the Chamber of Commerce of Amsterdam under no. 33231073. The articles of association were last amended by notarial deed executed on 23 June 2003. According to its articles of association, the object of the company is to participate in, manage, finance, provide personal or real security for the obligations of and provide services to other business enterprises and institutions of any kind whatsoever, but in particular business enterprises and institutions which are active in the field of insurance, banking, investment and/or other financial services, and to do anything which is related to the foregoing or may be conducive thereto.

SUPERVISORY BOARD AND EXECUTIVE BOARD

ING Group has a two-tier board system, consisting of a Supervisory Board and an Executive Board. The Supervisory Board consists of independent non-executives. Its task is to supervise the policy of the Executive Board and the general course of events in the company and to assist the Executive Board by providing advice. The Executive Board is responsible for the daily management of the company. Their composition is as follows:

- Supervisory Board: Cor Herkströter (chairman), Eric Bourdais de Charbonnière, Luella Gross Goldberg, Paul van der Heijden, Claus Dieter Hoffmann, Aad Jacobs, Wim Kok, Godfried van der Lugt, Paul Baron de Meester, Jan Timmer, Karel Vuursteen;
- Executive Board: Michel Tilmant (chairman), Cees Maas (vice-chairman and chief financial officer), Eric Boyer de la Giroday, Fred Hubbell, Eli Leenaars, Alexander Rinnooy Kan, Hans Verkoren.

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

KEY FIGURES

ING Group's key figures for the last five years were as follows:

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Balance sheet (<i>EUR x billion</i>)					
Total assets	493	650	705	716	779
Shareholders' equity	35	25	22	18	21
Assets under management (<i>EUR x billion</i>)	345	503	513	449	463
Market capitalisation (<i>EUR x billion</i>)	58	83	57	32	39
Operating income (<i>EUR x million</i>)					
Insurance operations	29,079	37,452	62,464	64,917	57,560
Banking operations	9,876	11,302	11,111	11,201	11,680
Operating expenses (<i>EUR x million</i>)					
Insurance operations	3,799	5,023	5,583	5,203	4,897
Banking operations	7,291	8,273	8,186	8,298	8,184
Additions to the provisions for loan/investment losses (<i>EUR x million</i>)	580	400	907	2,099	1,288
Operating profit before tax (<i>EUR x million</i>)					
Insurance operations	1,759	2,307	2,792	3,170	3,486
Banking operations	1,981	2,605	2,170	1,468	2,371
Operating profit before tax	<u>3,740</u>	<u>4,912</u>	<u>4,962</u>	<u>4,638</u>	<u>5,857</u>
Operating net profit	2,665	3,388	3,539	3,433	4,053
Net realised capital gains	564	620	713	820	-10
Non-operating net profit	1,693	7,976	325	247	-
Net profit	<u>4,922</u>	<u>11,984</u>	<u>4,577</u>	<u>4,500</u>	<u>4,043</u>

Share capital

The authorised share capital of ING Group amounts to EUR 2,160 million, consisting of (a) three billion ordinary shares with a nominal value of EUR 0.24 each, (b) one hundred million 'A' preference shares with a nominal value of EUR 1.20 each, (c) two hundred million 'B' preference shares with a nominal value of EUR 1.20 each, (d) nine hundred million cumulative preference shares, with a nominal value of EUR 1.20 each. The issued and paid-up capital as at 31 March 2004 amounted to EUR 612,3 million, consisting of 2,115.9 million ordinary shares and 87.1 million 'A' preference shares.

KEY STRATEGIC DEVELOPMENTS IN 2003

Strengthening the capital base

Following the sharp decline of stock markets in 2002 and early 2003, ING took a series of measures to strengthen its capital base during the course of 2003. An optional stock dividend was re-introduced and ING sold part of its equity and real estate holdings to reduce debt. ING also successfully issued two new subordinated perpetual loans in Europe and the US.

As a result of these measures, the capital base of ING Verzekeringen N.V. increased to EUR 15.8 billion at the end of December, which is 180% of the legally required level (year-end 2002: 169%). The tier-1 ratio of ING Bank N.V. was 7.59% at the end of December 2003, an improvement of 28 basis points compared to year-end 2002 (7.31%). ING Groep N.V.'s debt/equity ratio improved to 14.4% (year-end 2002: 19.9%).

Optimising the existing portfolio

ING took several steps in 2003 to optimise its business portfolio and focus on the markets and products where it can achieve a leading market position. This process of streamlining the existing portfolio will continue in 2004. ING sold Fatum in the Netherlands Antilles and Aruba to Guardian Holdings Limited and ING Aetna Life (Indonesia) to Manulife Indonesia. The agent network of ING Sviluppo and the affiliated Italian life-insurance, asset-management, retail and private-banking activities were sold to UniCredito and Aviva. Agreement was also reached to sell Baring Private Equity Partners in a management buyout.

Developing ING's special skills

ING Direct continues to beat expectations with regard to the growth of funds entrusted and the client base. Compared with year-end 2002 funds entrusted grew by 80% from EUR 55.2 billion to EUR 99.4 billion at the end of December 2003. ING Direct had 8.5 million clients at the end of December 2003, compared with 5.0 million clients at year-end 2002, an increase of 69%. Combined, the eight ING Direct units posted a profit before tax of EUR 151 million, up from a loss of EUR 48 million in 2002.

Insurance operations in developing markets showed an organic growth in premium income (excluding exchange-rate fluctuations) of 10.9% and an increase in organic operating profit before tax of 12.8%. Especially the Asian life operations continued on their steady growth path. Organic premium income in the Asian developing markets grew by 24.3% resulting in a 12.7% increase in organic operating profit before tax.

FIGURES FIRST QUARTER 2004, AS PUBLISHED ON 13 MAY 2004

ING Group posted an *operating net profit* of EUR 1,191 million in the first quarter, an increase of 32.0% from the same period a year earlier. Profit growth was driven by a 65.1% jump in operating net profit at ING's banking operations, boosted by higher income as well as lower risk costs. Operating profit before tax from ING's insurance business increased 28.9%, supported by good life results in the U.S. and Asia, and strong non-life earnings from the Netherlands, Canada and Australia. Due to a sizeable tax benefit in the first quarter of 2003, operating net profit from insurance increased 6.0%.

Operating net profit per share rose 24.6% to EUR 0.57 from EUR 0.46 in the first quarter of 2003. The increase in earnings per share lagged the growth in total operating net profit due to a 6.3% increase in the average number of shares outstanding as the final dividend for 2002 and the interim dividend for 2003 were fully funded with stock.

Net profit increased to EUR 1,202 million from EUR 167 million in the first quarter of 2003, when net profit included a charge of EUR 735 million to cover a negative balance in the revaluation reserve for shares. As stock markets recovered in 2003 the reserve had a positive balance at the close of each subsequent quarter, and at the end of March 2004, the reserve was EUR 1,310 million. In the first quarter of 2004, net profit included EUR 11 million from realised gains on the sale of shares.

Key profit and loss figures ING Group

<i>in EUR million</i>	1Q 2003	1Q 2004	% change	% organic** change
Operating net profit*				
– insurance operations	504	534	+ 6.0	+ 6.9
– banking operations	398	657	+ 65.1	+ 60.0
Operating net profit*	902	1,191	+ 32.0	+ 32.3
Capital gains/neg. value adj. shares	– 735	11		
Net profit	167	1,202		
Total operating income	16,657	17,296	+ 3.8	+ 11.2
– insurance operations	13,777	14,062	+ 2.1	+ 10.8
– banking operations	2,891	3,267	+ 13.0	+ 13.9
Total operating expenses	3,159	3,261	+ 3.2	+ 7.5
– insurance operations	1,189	1,142	– 4.0	+ 4.4
– banking operations	1,970	2,119	+ 7.6	+ 9.2
<i>in EUR</i>				
Operating net profit* per share	0.46	0.57	+ 24.6	+ 24.9
Net profit per share	0.08	0.57		

* Operating net profit = net profit excluding realised capital gains/ losses on shares and negative revaluation reserve on shares in 1Q2003

** Organic = excluding currency-rate differences and acquisitions/divestments

Income

Total operating income increased 3.8% to EUR 17,296 million, driven by a 13.0% increase in operating income from the banking activities, notably ING Direct and the financial markets activities. Higher interest income, commission and other income contributed to this growth. Operating income from insurance increased 2.1%. Strong growth in premium income from life insurance, especially in the U.S. and Asia/Pacific was partially offset by currency fluctuations. Excluding currency effects, acquisitions and divestments, operating income from insurance increased 10.8% and total operating income climbed 11.2%.

Expenses

Total operating expenses rose 3.2% to EUR 3,261 million in the first quarter of 2004 and increased 7.5% organically. Strict cost control at ING's businesses in mature markets was offset by higher expenses to support the growth of ING Direct, as well as costs linked to the sale of ING's Asian cash equities business and investments to improve efficiency and reduce backlogs at the Dutch life insurance operations.

The cost/income ratio for ING's banking operations was 64.9% in the first quarter, a strong improvement compared with both the first quarter of 2003 (68.1%) and the full-year 2003 (70.1%). Expenses from insurance increased organically. However costs as a percentage of assets under management for investment products declined 2 basis points to 0.79%, mainly as a result of growth in managed funds. Expenses as a percentage of premiums for other life insurance products declined 1.15%-point to 11.55% as a result of lower costs and higher premiums. The combined ratio for ING's non-life insurance business improved strongly to 89% from 97% in the first quarter of 2003, due to lower claims while the expense ratio remained unchanged at 22%.

The total number of staff (full-time equivalents) fell by 1,435 to 112,900 at the end of March 2004 from 114,335 at the end of 2003. The decrease was due primarily to the run-off of ING's insurance business in Argentina, the sale of a unit in Indonesia, restructuring at ING BHF-Bank and the sales of the Asian cash equities business and Baring Private Equity Partners.

Tax

The effective tax rate increased to 29.6% in the first quarter of 2004 compared with 19.4% in the first three months of 2003, due to higher taxes in both the insurance and banking operations. The tax rate for insurance increased due to the impact of a sizeable deferred tax benefit in the Netherlands in the first quarter of 2003, and lower tax-free dividend income and a greater share of profits with a higher tax burden in the first quarter of 2004. The tax rate for the banking operations increased mainly due to incidentally higher taxes at ING Belgium.

Operating profit before tax

Total operating profit before tax rose 49.0% from EUR 1,208 million in the first three months of 2003 to EUR 1,800 million in the first quarter of 2004. Operating profit before tax from insurance rose 28.9% to EUR 789 million, while operating profit before tax from banking increased 69.6% to EUR 1,011 million.

One-off items

One-off items in the first quarter of 2004 amounted to EUR –84 million before tax (EUR –54 million after tax) in the banking operations from a book loss and costs related to the sale of the Asian cash equities business. In the first three months of 2003 there were no one-off items.

Currency fluctuations

A small negative impact from the weakening of most currencies against the euro was more than offset by a gain of EUR 52 million after tax from the US dollar hedge. That compares with a EUR 24 million gain on the hedge in the same period last year. Including the mitigating effect from the hedge in both periods, exchange rates had a positive net impact of EUR 11 million on first-quarter profit. ING has hedged the expected profits in US dollar and dollar-linked currencies for 2004. Based on a change in ING's view on the longer run development of the euro/dollar exchange rate, it was recently decided to unwind the hedges with respect to the 2005 results.

Key balance-sheet figures ING Group

<i>in EUR x billion</i>	31 December	31 March	%
	2003	2004	change
Shareholders' equity	21.3	22.9	+ 7.3
– insurance operations	12.0	12.8	+ 6.7
– banking operations	16.7	17.4	+ 4.2
– eliminations*	–7.4	–7.3	
Total assets	778.8	830.0	+ 6.6
Operating net return on equity	21.5%	21.8%	
– insurance operations	22.7%	17.2%	
– banking operations	11.1%	18.1%	
Total assets under management	462.7	487.8	+ 5.4

* Own shares, subordinated loans, third-party interests, debenture loans and other eliminations.

Shareholders' equity

On 31 March 2004, shareholders' equity amounted to EUR 22.9 billion, an increase of EUR 1.6 billion, or 7.3%, compared with year-end 2003. The first-quarter net profit added EUR 1.2 billion to shareholders' equity and revaluations accounted for an increase of EUR 0.3 billion. Shareholders' equity per share increased to EUR 10.82 from EUR 10.08 at the end of 2003.

Capital Ratios

The capital coverage ratio for ING's insurance operations increased to 184% of regulatory requirements at the end of the first quarter, compared with 180% at year-end 2003. The Tier-1 ratio of the banking business stood at 7.52% on 31 March compared with 7.59% at the end of 2003. The debt/equity ratio of ING Groep NV improved to 13.3% from 14.4% at end 2003.

Return on equity

The operating net return on equity increased from 21.5% for the full year 2003 to 21.8% in the first quarter of 2004. The return on equity of the insurance operations was 17.2% against 22.7% for the full year 2003. That was partly due to an increase in the average shareholders' equity from EUR 11.0 billion to EUR 12.4 billion in the first quarter because of retained profits and a higher revaluation reserve shares. The return on equity of the banking operations increased to 18.1% from 11.1% in the full year 2003. The risk-adjusted return on capital (RAROC) of ING's banking operations improved significantly to 25.9% from 17.0% in full-year 2003 (pre-tax). The wholesale banking activities performed above ING's hurdles with a pre-tax RAROC of 22.3%.

Assets under management

Assets under management increased 5.4% from EUR 462.7 billion at the end of 2003 to EUR 487.8 billion at the end of March 2004. The increase was the result of a net inflow (+EUR 9.0 billion), higher stock markets (+EUR 8.9 billion), currency rate differences (+EUR 9.2 billion) and divestments (–EUR 2.0 billion), including the deconsolidation of Baring Private Equity Partners.

Outlook for 2004

ING will not give an outlook for full-year profit. The Executive Board sees signs of improvement in the major economies where ING is active, although Europe is lagging behind. Risk costs and credit losses are going down, and were exceptionally low in the first quarter. However, the performance of the major stock markets is still uncertain for this year. The low-interest-rate environment continues to affect some of our businesses. A sharp increase would also create its own challenges.

Full press release

The full press release on the figures for the first quarter 2004 is considered to be an integral part of this prospectus. It can be viewed and downloaded at www.ing.com/group.

MAIN DEVELOPMENTS IN 2004

Sale of Asian Cash Equity Business

In March 2004, ING Group and Macquarie Bank reached agreement on the sale of ING's Asian cash equities sales, trading, research and equity capital markets operations in 10 countries in Asia and key locations in Europe and the United States. The transaction is expected to be completed for most core Asian countries by end July 2004. Under the terms of the agreement ING will transfer to Macquarie a total of 428 employees. Financial details of the transaction are subject to a confidentiality agreement between the two parties.

ING to sell Australian Non-life Insurance Interests

In May 2004, ING Group entered into a letter of intent regarding the sale to QBE Insurance Group Limited (QBE) of Mercantile Mutual Insurance (Australia) Limited (MMIA), Mercantile Mutual Insurance (Workers Compensation) Limited, and its 50% stake in the QBE Mercantile Mutual joint venture for A\$ 740 million. An additional A\$ 25 million is payable by QBE in February 2007 subject to the run off of pre-joint venture insurance liabilities. QBE has also agreed to purchase Mercantile Equities Pty Limited, a small subsidiary of MMIA, the price of which is not material and not included above. The transactions are expected to be completed by the end of June 2004 and are subject to regulatory approvals.

CONSOLIDATED BALANCE SHEET OF ING GROEP N.V.

(before profit appropriation)

<i>in EUR x million</i>	31 December 2002	31 December 2003	% change
Assets			
Tangible fixed assets	1,415	1,311	-7.3
Participating interests	2,883	3,167	+9.9
Investments	297,581	335,003	+12.6
Lending	284,448	292,556	+2.9
Banks	45,682	61,060	+33.7
Cash	11,421	11,738	+2.8
Other assets	51,186	53,473	+4.5
Accrued assets	21,754	20,463	-6.0
Total	<u>716,370</u>	<u>778,771</u>	+8.7
Equity and liabilities			
Shareholders' equity	18,254	21,331	+16.9
Preference shares of Group companies	2,146	1,783	-16.9
Third-party interests	1,959	1,730	-11.7
Group equity	22,359	24,844	+11.1
Subordinated loan	2,412	3,252	+34.8
Group capital base	24,771	28,096	+13.4
General provisions	3,489	2,740	-21.4
Insurance provisions	195,831	198,035	+1.1
Funds entrusted to and debt securities of the banking operations	319,824	377,824	+18.1
Banks	96,267	102,115	+6.1
Other liabilities	65,397	61,123	-6.5
Accrued liabilities	10,791	8,838	-18.1
Total	<u>716,370</u>	<u>778,771</u>	+8.7

CONSOLIDATED PROFIT AND LOSS ACCOUNT OF ING GROEP N.V. *

<i>in EUR x million</i>	Insurance operations		Banking operations		Total*		% change
	2002	2003	2002	2003	2002	2003	
Premium income	52,284	45,519			52,284	45,519	- 12.9
Income from investments of the insurance operations	10,506	9,721			10,433	9,503	- 8.9
Interest result banking operations			7,646	8,115	7,702	8,166	+ 6.0
Commission	1,345	1,313	2,615	2,464	3,960	3,777	- 4.6
Other income	782	1,007	940	1,101	1,722	2,108	+ 22.4
Total operating income	64,917	57,560	11,201	11,680	76,101	69,073	- 9.2
Underwriting expenditure	54,575	47,723			54,575	47,723	- 12.6
Other interest expenses	1,305	1,291			1,288	1,124	- 12.7
Operating expenses	5,203	4,897	8,298	8,184	13,501	13,081	- 3.1
Additions to the provision for loan losses/investment losses**	664	163	1,435	1,125	2,099	1,288	- 38.6
Total operating expenditure	61,747	54,074	9,733	9,309	71,463	63,216	- 11.5
Operating profit before tax	3,170	3,486	1,468	2,371	4,638	5,857	+ 26.3
Taxation	540	861	333	599	873	1,460	+ 67.2
Third-party interests	92	117	240	227	332	344	+ 3.6
Operating net profit	2,538	2,508	895	1,545	3,433	4,053	+ 18.1
Operating net profit	2,538	2,508	895	1,545	3,433	4,053	+ 18.1
Capital gains shares	820	-10			820	-10	
Gain on joint venture ANZ	247				247		
Net profit	3,605	2,498	895	1,545	4,500	4,043	- 10.2

* Including intercompany eliminations.

** In order to increase transparency, investment losses of the insurance operations are specified separately in the line Addition to the provision for loan losses/investment losses. All figures have been restated accordingly.

CAPITALISATION

The following table sets forth the capitalisation of ING Group (consolidated): on 31 December 2003.

	31 December 2003
<i>(in EUR millions)</i>	
Short-term debt	302,573
Long-term debt	55,810
Subordinated loans	3,252
Minority interests	1,730
Preference shares of Group companies	1,783
Shareholders' equity:	
Preferred shares	104
Ordinary shares	508
Other surplus reserves	20,719
Total shareholders' equity	21,331
Total capitalisation	83,906

Since 31 December 2003, the following long-term notes were issued by ING Group (consolidated)

<i>(amounts in millions)</i>				
Base currency	Base amount	Duration	Interest	Amount in EUR
EUR	500	2004/2009	3.750%	500
EUR	1,000	2004/2015	4.625%	1,000
Total				1,500

AUDITORS' REPORT

We have audited the consolidated balance sheets and the consolidated profit and loss accounts of ING Groep N.V., Amsterdam, for the year 2003 and the year 2002 as incorporated in this Offering Circular on pages 43 and 44. The consolidated balance sheets and consolidated profit and loss accounts were derived from the annual accounts of ING Groep N.V. for 2003. In our auditors' report dated 8 March 2004 we expressed an unqualified opinion on these annual accounts.

The consolidated balance sheets and the consolidated profit and loss account are the responsibility of the company's management. Our responsibility is to express an opinion on the consolidated balance sheets and the consolidated profit and loss accounts.

In our opinion the consolidated balance sheets and the consolidated profit and loss accounts are consistent, in all material respects, with the annual accounts from which they were derived.

For a better understanding of the company's financial position and results of its operations for the period and of the scope of our audit, the consolidated balance sheets and consolidated profit and loss accounts should be read in conjunction with the annual accounts from which the consolidated balance sheets and the consolidated profit and loss accounts were derived and our auditors' report thereon dated 8 March 2004.

Amsterdam, 14 June 2004.

Ernst & Young Accountants

NETHERLANDS TAXATION

This section provides a general summary of the material Dutch tax issues and consequences of acquiring, holding, redeeming and/or disposing of the Securities and the Capital Securities. This summary provides general information only and is restricted to the matters of Dutch taxation stated herein. The information given below is neither intended as tax advice nor purports to describe all of the tax considerations that may be relevant to a prospective purchaser of the Securities and a prospective owner of the Capital Securities.

The prospective purchaser should consult his or her own tax advisor regarding the Dutch tax consequences of acquiring, holding, redeeming and/or disposing of the Securities and Capital Securities.

This summary is based on the tax legislation, published case law, and other regulations in force as at 11 June 2004, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

We assume that the holders of the Securities and Capital Securities do not hold a substantial interest in ING Groep N.V. Generally speaking, an interest in the share capital of ING Groep N.V. should not be considered a substantial interest if the holder of such interest, and, if the holder is a natural person, his or her spouse, registered partner, certain other relatives or certain persons sharing the holder's household, alone or together, does or do not hold, whether directly or indirectly, the ownership of, or certain rights over, shares or rights resembling shares representing five percent or more of the total issued and outstanding capital, or the issued and outstanding capital of any class of shares, of ING Groep N.V.

Withholding tax

All payments by ING Groep N.V. in respect of the Securities can be made without withholdings or deductions for or on account of any taxes, duties or charges of any nature whatsoever that are or may be withheld or assessed by the Dutch tax authorities, any political subdivision thereof or therein or any of their representatives, agents or delegates.

Dividends received in respect of the Capital Securities (after conversion of the Securities: reference is made to the Offering Circular under the heading 'Conversion of Securities into Capital Securities') are generally subject to Dutch dividend withholding tax at a rate of 25 percent. Dividends include:

- (1) distributions in cash or in kind, including deemed and constructive distributions;
- (2) liquidation proceeds on redemption of the Capital Securities in excess of the average paid-in capital as recognised for Dutch dividend withholding tax purposes and, as a rule, the consideration for the repurchase of the Capital Securities by ING Groep N.V. in excess of the average paid-in capital recognised for Dutch dividend withholding tax purposes, unless such repurchase is (a) for temporary investment or (b) exempt on the basis of the Dutch Dividend Tax Act of 1965;
- (3) the par value in respect of the issue of bonus shares to a holder of the Capital Securities, or an increase in the par value of the Capital Securities, in exchange for a lower consideration, except where the issue or increase is funded out of ING Groep N.V.'s paid-in capital as recognised for Dutch dividend withholding tax purposes; and
- (4) partial redemption of the Capital Securities to the extent this constitutes a repayment of contributed capital (as understood under the Dutch Dividend Tax Act of 1965), and to the extent ING Groep N.V. has net profits (as that expression is understood for Dutch dividend withholding tax purposes), unless the shareholders of ING Groep N.V. have resolved in general meeting to make such repayment, and the par value of the Capital Securities concerned has been reduced by a corresponding amount by way of an amendment of the articles of association of ING Groep N.V.

Dividends distributed to a corporate holder of Capital Securities that qualifies in respect of the Capital Securities for the participation exemption, as defined in the Dutch Corporate Income Tax Act of 1969, are exempt from Dutch dividend withholding tax.

Generally, a holder of Capital Securities that is resident, or is deemed to be resident, in the Netherlands will be allowed a credit against Dutch personal income tax or corporate income tax for the tax withheld on dividends paid in respect of the Capital Securities. A legal entity resident in the Netherlands that is not subject to Dutch corporate income tax may, under certain conditions, request a refund of the tax withheld.

A holder of Capital Securities resident outside the Netherlands may be entitled to a full or partial exemption from or refund of Dutch dividend withholding tax under an applicable double taxation convention depending on its terms and conditions and subject to compliance by the holder of the Capital Securities with those terms and conditions.

A holder of Capital Securities resident in Belgium may be entitled to a reduction of the Dutch dividend withholding tax, in general to 15 per cent, under the double tax convention between the Netherlands and Belgium with respect to income (the ‘Treaty’) subject to compliance by the holder of Capital Securities with the applicable terms and conditions of the Treaty.

Generally, a holder of the Capital Securities will qualify for benefits under the Treaty (subject to compliance with the procedures for claiming benefits) if the holder:

- (1) is the beneficial owner of the dividends paid; and
- (2) is resident in Belgium according to the Treaty; and
- (3) does not hold the Capital Securities in connection with the conduct of business in the Netherlands.

As of August 29, 2002 anti abuse provisions regarding dividend stripping transactions entered into force. On the basis of these provisions, a holder of Capital Securities is only entitled to a full or partial exemption from Dutch dividend withholding tax on the basis of the Dutch Dividend Withholding Tax Act 1965 if the holder qualifies as the beneficial owner – as defined by the Dutch Dividend Withholding Tax Act 1965 – of the dividends. A Capital Security holder is only entitled to a full or partial exemption from, a reduction or refund of Dutch withholding tax under an applicable double taxation convention or under the Tax Arrangement for the Kingdom of the Netherlands if the holder of the Capital Securities that is entitled to the dividends paid in respect of the Capital Securities is the beneficial owner – as defined by the Dutch dividend withholding Tax Act 1965 – of the paid dividends.

A holder of Capital Securities that is resident, or is deemed to be resident, in the Netherlands will only be allowed a credit against Dutch income tax or corporate income tax for the tax withheld on dividends paid in respect of the Capital Securities if the holder of the Capital Securities that is entitled to the dividends is the beneficial owner – as defined by the Dutch Dividend Withholding Tax Act 1965 – of the dividends. A legal entity resident in the Netherlands that is not subject to Dutch corporate income tax may only request a refund of the dividend tax withheld if that legal entity is the beneficial owner – as defined by the Dutch Dividend Withholding Tax Act 1965 – of the dividends.

Surtax

ING Groep N.V. may be subject to a surtax at the rate of 20 percent to the extent that ‘excessive’ profit distributions are made in the period from January 1, 2001 up to and including December 31, 2005. The Dutch tax authorities hold the view that this surtax constitutes a corporate income tax and not a withholding tax. For purposes of the surtax, profit distributions (to be understood in its widest sense, and including distributions in cash, liquidation proceeds and proceeds from the redemption of shares) are considered to be ‘excessive’ to the extent that, during a particular calendar year, the total amount of profit distributions exceeds the highest of the following three amounts:

- (1) four per cent of the fair market value of the issued share capital of ING Groep N.V. at the beginning of the relevant calendar year;
- (2) twice the amount of the average annual profit distributions made by ING Groep N.V., on the basis of a consistent policy, during the three calendar years prior to January 1, 2001; and
- (3) the adjusted profits (as defined in the 'surtax' provisions) of ING Groep N.V. for the preceding book year.

The surtax due will be reduced pro rata to the extent that the Capital Securities have been held, or deemed to be held, at the time of the distribution, for an uninterrupted period of at least three years by individuals or legal entities (other than investment institutions as defined in the Dutch Corporate Income Tax Act of 1969) holding at least 5 per cent of ING Groep N.V.'s nominal paid-in capital, provided such individuals or legal entities are resident in the Netherlands, the Netherlands Antilles or Aruba, a Member State of the European Union or a country with which the Netherlands has concluded a convention for the avoidance of double taxation. For purposes of satisfying the above-mentioned three year period, consecutive ownership periods by different qualifying holders of Capital Securities may be cumulated.

No surtax is levied insofar as the total of the profit distributions made during the period from January 1, 2001 through December 31, 2005 exceed the balance of assets, liabilities and provisions, calculated on the basis of the fair market value, less the fiscally recognised paid-in capital at the end of the last financial year which closes before January 1, 2001.

Taxes on income and capital gains

Residents of the Netherlands

Income received from a Security or Capital Security as well as a gain realized on the disposal or redemption of a Security or Capital Security, by a holder of a Security or Capital Security who is a resident of the Netherlands and who is subject to Dutch corporate income tax, is generally taxable in the Netherlands.

Income received from a Security or Capital Security as well as a gain realized on the disposal or redemption of a Security or Capital Security, by a holder of a Security or Capital Security who is an individual who is a resident or a deemed resident of the Netherlands or has opted to be treated as a resident of the Netherlands, will be subject to Dutch individual income tax at progressive personal income tax rates up to 52% (2004 rate) if:

- (i) the individual carries on a business, to the assets of which such Security or Capital Security is attributable, or
- (ii) such income or gain is attributable to the individual's activities, other than business activities, which include the use of that individual's special knowledge or activities performed by that individual with respect to the Security or Capital Security as a result of which such individual can make a return on the Security or Capital Security that is in excess of the return on regular portfolio management (*'belastbaar resultaat uit overige werkzaamheden in Nederland'*).

If the conditions set out in paragraphs i. and ii. above do not apply to a resident individual, income received by such individual from a Security or Capital Security as well as gains realized on the disposal or redemption of a Security or Capital Security are not taxable as such. Instead, the return on investments and savings is set at 4% (2004 rate) of the average value of the holder's net worth (including the Securities and Capital Securities, if any) in a calendar year, after taking into consideration a certain limited threshold. The average value is calculated by dividing by two the aggregate of the value of the net worth (including the Securities and Capital Securities, if any) at the beginning of the calendar year and the end of the calendar year. The deemed return of 4% is then subject to personal income tax at the rate of 30% (2004 rate). All in all, the value of the holder's average net worth (including the Securities and Capital Securities, if any) in a calendar year is taxed at an effective rate of 1.2% irrespective of the income received or gain realized.

Non-residents of the Netherlands

A holder of a Security or Capital Security who is neither resident nor deemed to be resident in the Netherlands nor has opted to be treated as a resident in the Netherlands who receives income from a Security or Capital Security, or who realizes a gain on the disposal or redemption of the Security or Capital Security, will not be subject to Dutch taxation on income or capital gains, unless:

- (i) such income or gain is attributable to an enterprise or deemed enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in the Netherlands;
- (ii) the holder is an individual, and such income or gain is attributable to his or her activities in the Netherlands (as described in paragraph ii. above under the heading 'Residents of the Netherlands'), other than business or employment activities ('*belastbaar resultaat uit overige werkzaamheden in Nederland*');
- (iii) the holder performs or has performed employment activities in the Netherlands, or performs or has performed employment activities outside the Netherlands for remuneration that is subject to Dutch payroll tax and social security contributions, and such income or capital gains qualify as income from these employment activities; or
- (iv) the holder is entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands, other than by way of securities or through an employment contract, and to which enterprise the Security or Capital Securities are attributable.

Taxation of gifts and inheritances

Residents of the Netherlands

Generally, gift and inheritance tax will be due in the Netherlands in respect of the acquisition of a Security or Capital Security by way of a gift by, or on the death of a holder of a Security or Capital Security who is a resident or deemed to be a resident of the Netherlands for the purposes of Dutch gift and inheritance tax at the date of the gift or his or her death. An individual of Dutch nationality is deemed to be a resident of the Netherlands for the purposes of Dutch gift and inheritance tax if he or she has been resident in the Netherlands at any time during the 10 years preceding the date of the gift or his or her death. An individual of any other nationality is deemed to be a resident of the Netherlands for the purposes of Dutch gift tax only if he or she has been resident in the Netherlands at any time during the 12 months preceding the date of the gift.

Non-residents of the Netherlands

There will be no Dutch gift or inheritance tax levied on the acquisition of a Security or Capital Security by way of gift by, or on the death of, a holder of a Security or Capital Security, if the holder at the time of the gift or time of death is neither a resident nor a deemed resident of the Netherlands, unless:

- (i) at the time of the gift or death, a Security or Capital Security can be attributed to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in the Netherlands; or
- (ii) the holder of a Security or Capital Security dies within 180 days of making the gift, and at the time of death is a resident or deemed resident of the Netherlands.

Value added tax

No value added tax will be due in the Netherlands in respect of payments made in consideration for the issue of a Security or Capital Security, whether in respect of payments of interest and principal or in respect of the transfer of a Security or Capital Security.

Other taxes

There will be no registration tax, capital contribution tax, customs duty, stamp duty, real estate transfer tax or any other similar tax or duty due in the Netherlands in respect of or in connection with the issue, transfer, execution or delivery by legal proceedings of the Securities or the performance of IN Groep N.V.'s obligations under the relevant documents.

However, Dutch capital contribution tax at a rate of 0.55% (2004 rate) will be payable by ING Groep N.V. upon the issue of Ordinary Shares by ING Groep N.V. on the basis of the Alternative Coupon Satisfaction Mechanism. Furthermore, Dutch capital contribution tax will be payable by ING Groep N.V. upon the conversion of Securities in Capital Securities, if the Capital Securities qualify as equity for Dutch fiscal purposes.

Residency

A holder of a Security or Capital Security will not become, and will not be deemed to be, resident in the Netherlands merely by virtue of holding such Security or Capital Security or the execution, performance and/or delivery of any relevant documents.

European Union Savings Directive

On June 3, 2003, the Council of the European Union adopted a Council Directive on the taxation of savings income in the form of interest payments (the 'Directive'). Based on the Directive and subject to a number of important conditions being met, a Member State will be required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State, subject to the right of certain Member States to opt instead for a withholding system for a transitional period in relation to such payments.

SPECIFIC INFORMATION FOR THE BELGIAN MARKET

GENERAL INFORMATION

This prospectus was approved by Euronext Amsterdam N.V. on 14 May 2004 and was recognised by the Belgian Banking and Finance Commission on 18 May 2004 in accordance with article 14 of the Law of 22 March 2003 on the public offering of securities and articles 1 and 8 of the Royal Decree of 14 November 1991 on the mutual recognition within the European Community of the prospectus published in relation to a public offering and of the prospectus published in relation to the listing on a stock exchange.

This recognition does not entail an assessment of the advisability and quality of the transaction, nor of the condition of the person who executes it.

(1) Subscription period

From 24 May to and including 11 June 2004, subject to an early termination.

(2) Account banks and financial services in Belgium

Securities can be subscribed to in Belgium in all ING offices.

ING België NV gratuitously provides the financial service in Belgium.

No custody fee will be charged for Securities that are held on a securities account with ING Bank N.V. or ING België NV.

Subscriptions can also be submitted through other financial intermediaries. Interested investors must inform themselves of the potential cost that this can bring about.

(3) Payment date

The subscription price is payable in cash at the time of the subscription.

Payments will be debited from a current account with value date 16 June 2004.

The Securities shall be delivered into the securities account that has been designated by the subscriber on the payment date.

(4) Reduction of subscriptions

If the number of Securities validly subscribed exceeds the number of ING Perpetual Securities III that are offered in the context of this public offer, a reduction of the orders can be applied in accordance with objective criteria.

(5) Issue costs

The issue costs borne by the Issuer amount to $\pm 2\%$ of the total amount of the issue.

(6) Free transferability of the Securities

The Securities are created as freely transferable securities, subject to all applicable selling restrictions (see Subscription and Sale on page 56).

The Securities will be listed on the stock market of Euronext Amsterdam N.V. and Euronext Brussels S.A./N.V. under the category 'bonds'. These listings will allow you to sell or buy the Securities at any given time. When selling or buying the Securities the accrued interest as from the last payment date will be settled separately.

Further trading could generate costs such as brokerage fees. Potential investors should therefore inform themselves accordingly before subscribing to the Securities.

BELGIAN TAXATION

The following is a broad summary of the implications for an investor of acquiring, holding and transferring Securities, from the perspective of the tax law of the Kingdom of Belgium as at the date hereof. This summary is of a general nature and for information purposes only; it is not exhaustive. Therefore, prospective investors and holders of the Securities should consult their professional advisers.

1. Belgian income taxes

(a) Individuals

Individuals resident in Belgium

Individuals who are resident in Belgium for tax purposes and who hold the Securities as a private (i.e. non-professional) investment are taxable on the interest income generated by the Securities. Among others, interest income refers to the Coupon Amounts, to the Alternative Coupon Satisfaction, to the interest on optionally Deferred Payments, and to the additional payments in case of Dutch taxation (but the Dutch taxation itself would in principle be excluded). Interest income also includes any amount earned or returned in excess of the Issue Price.

If a Belgium based professional intermediary (bank, broker, ...) is involved in the payment of the interest income, that professional intermediary must withhold a withholding tax of 15%. In that case, the withholding tax represents the final income tax on the interest income.

If no Belgium based professional intermediary (bank, broker, ...) is involved in the payment of the interest income, or if otherwise no Belgian withholding tax is withheld, the individual investor who is subject to Belgian individual income tax will have to disclose the interest income in his or her tax return, and will be liable to a tax of 15% plus additional local taxes.

A gain realised by selling or transferring the Securities (but not by selling or transferring the Securities to the Issuer and not as a result of the Redemption of the Securities) is not taxed, except if considered a speculative gain. However, the portion of the sales or transfer price that reflects interest income accrued but not yet paid or payable, is treated as taxable interest income (see above), irrespective of whether the sale or transfer of the Securities results in an actual gain or loss. Also the positive difference between the (i) amount payable to the investor in case of Redemption or Purchase or any other sale or transfer of the Securities to the Issuer and (ii) the Issue Price, will also be treated as taxable interest income. In these two cases, part of the sales or transfer proceeds are treated as taxable interest because of the (likely) characterisation of the Securities as 'fixed income securities' for Belgian tax purposes.

The individual investor who holds the Securities as a private (i.e. non-professional) investment is not entitled to any tax deduction for losses or expenses in connection with the Securities.

Non-resident individuals

Individuals who are not resident in Belgium for tax purposes but who deposit the Securities through a securities account with a Belgian financial institution may claim an exemption from the Belgian withholding tax the Belgian financial institution would otherwise have to withhold, if they have certain ownership rights over the Securities and if they do not use the Securities for a professional activity in Belgium. For purposes of the exemption, they will have to fill out and present an appropriate tax form.

(b) Companies

Companies resident in Belgium and Securities used for activity in Belgium

Companies that have their tax residence in Belgium and that are subject to corporate income tax, and companies (or similar entities) that do not have their tax residence in Belgium but hold the Securities through an 'establishment' (or 'permanent establishment') in Belgium, are liable to income tax on any income or profit from the Securities. This income tax takes the form of a corporate tax at a standard rate of

33,99%. In case a Belgium based professional intermediary (bank, broker, ...) is involved in the payment of the interest income, the companies may claim an exemption from the withholding tax the intermediary would otherwise have to withhold. For purposes of the exemption, they will have to fill out and present an appropriate tax form. If the exemption is not available, the companies are entitled to a tax credit that is proportionally limited to the interest period during which they had full ownership over the Securities.

Also, all gains realised in respect of the Securities, whether or not at Redemption, at Purchase or by selling or transferring the Securities to the Issuer or to any other person or entity, are fully subject to corporate tax. Losses and expenses may however be tax deductible.

Securities not used for activity in Belgium

Companies (or similar entities) that are not resident in Belgium for tax purposes but that deposit the Securities through a securities account with a Belgian financial institution may claim an exemption from the Belgian withholding tax the Belgian financial institution would otherwise have to withhold, if they have certain ownership rights over the Securities and if they do not use the Securities for their activity in Belgium. For purposes of the exemption, they will have to fill out and present an appropriate tax form.

(c) Non-profit entities

Entities resident in Belgium

Entities that are subject to Belgian income tax for legal entities, are taxable on the interest income generated by the Securities. The tax is due in the form of a 15% withholding tax, either to be applied by the Belgium based professional intermediary (bank, broker, ...) that is involved in the payment of the interest income, or by the entity itself, if no Belgium based professional intermediary is involved or if otherwise no Belgian withholding tax is withheld.

The definition of interest income is the same as that for purposes of individual investors (see point (a) above), and includes gains in case of Redemption, Purchase or sale or transfer to the Issuer, as well as interest accrued but not yet paid or payable in case of a sale or transfer.

Apart from that, a gain realised by selling or transferring the Securities (but not by selling or transferring the Securities to the Issuer and not as a result of the Redemption of the Securities) is not taxed.

Non-resident entities

Entities that are not resident in Belgium for tax purposes but that deposit the Securities through a securities account with a Belgian financial institution may claim an exemption from the Belgian withholding tax the Belgian financial institution would otherwise have to withhold, if they have certain ownership rights over the Securities and if they do not use the Securities for their activity in Belgium. For purposes of the exemption, they will have to fill out and present an appropriate tax form.

2. Belgian tax on securities trades

Since the Securities will be listed on Euronext Brussels, investors who subscribe to Securities through a Belgium based professional intermediary, will not be liable to Belgian tax on securities trades (article 126/1 of the Code of taxes assimilated to stamp duties).

Investors who buy or sell Securities through a Belgium based professional intermediary, are liable to Belgian tax on securities trades, at a rate of 0.07% for secondary market acquisitions and disposals, but limited to EUR 250 per transaction and per investor.

If they act for their own account, following investors are exempt from Belgian tax on securities trades:

- professional intermediaries within the meaning of Article 2 of the Law 6 April 1995 on the secondary markets;
- insurance companies within the meaning of Article 2, § 1 of the Law of 9 July 1975 on the supervision of insurance companies;
- pension funds within the meaning of Article 2, § 3, 6° of the same Law of 9 July 1975 and of the Royal Decree of 15 May 1985 on the activities of private sector pension savings institutions

- collective investment vehicles within the meaning of the Law of 4 December 1990
- non-resident persons or entities, who can identify themselves as such.

3. Belgian tax on physical delivery of securities

Because the terms and conditions of the Securities do not provide for a physical delivery of definitive bearer Securities, there is no reason for the Belgian tax on the physical delivery of securities to apply.

4. Belgian inheritance and gift taxes

If the Securities belong to the estate of a deceased individual who, at the time of his or her decease, is considered resident of Belgium, the Securities are subject to inheritance taxes. A written gift deed in respect of a gift of Securities, passed before a Belgian notary in order to be valid, must be registered and is subject to gift taxes

SUBSCRIPTION AND SALE

Information with regard to underwriting to be inserted

SUBSCRIPTION AND SALE

Under a subscription agreement entered into by the Issuer on 14 June 2004 (the '**Subscription Agreement**'), ING Bank N.V., BNP Paribas, Citigroup Global Markets Limited, Goldman Sachs International, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (together '**the Managers**') have agreed to subscribe for the Securities at the issue price of 100 per cent. The Issuer has agreed to pay the Managers a combined management, underwriting and selling commission of 2% per Security. The Subscription Agreement is subject to termination in certain circumstances prior to payment to the Issuer.

United States

The Security have not been and will not be registered under the US Securities Act of 1933, as amended (the '**Securities Act**') and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Security (i) as part of their distribution at any time, and (ii) otherwise until 40 days after the completion of the distribution of the Securities within the United States or to, or for the account or benefit of US persons. The terms used in the preceding paragraph and in this paragraph have the meaning assigned to them by Regulation S under Securities Act.

The Securities are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a US person, except in certain transactions permitted by US tax regulations. Terms used in this paragraph have the meanings assigned to them by the US Internal Revenue Code of 1986, as amended and US Treasury regulations issued thereunder.

In addition, until 40 days after the completion of the distribution of all Securities an offer or sale of Securities within the United States by any Manager (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has represented and agreed that:

- (i) it has not offered or sold and, prior to the expiry of the period of six months from the date of issue of the Securities, will not offer or sell any Securities to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended);
- (ii) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 ('FSMA') with respect to anything done by it in relation to Securities in, from or otherwise involving the United Kingdom; and
- (iii) it has only communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

General

Each Manager has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Securities or possesses or distributes this Offering Circular and will obtain any consent, approval or

permission required by it for the purchase, offer or sale by it of the Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and neither the Issuer nor any other Manager shall have any responsibility therefor.

Neither the Issuer nor any of the Managers represents that the Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

1. The issue of the Securities was duly authorised by resolutions of the Executive Board of the Issuer dated May 4, 2004 and May 25, 2004.

Listing

2. Application has been made to list the Securities on the Official Segment of the Stock Market of Euronext Amsterdam N.V. and Euronext Brussels S.A./N.V.

Clearing Systems

3. The Securities have been accepted for clearance through Euroclear Netherlands. The ISIN Code for this issue is NL0000116127, the Amsterdam Securities Code (*fondscore*) is 11612 and the Common Code is 019315207.

No material adverse change

4. There has been no material adverse change in the financial position of the Issuer other than set out in this Offering Circular since 31st December, 2003.

Litigation

5. The Issuer and its consolidated subsidiaries are involved in lawsuits and arbitration cases in The Netherlands and in a number of other countries relating to claims by or against these companies arising in the course of ordinary activities, and also from acquisitions, including the activities as lenders, employers, investors and taxpayers. Several of these cases involve claims for either very large or indefinite amounts. Although it is not feasible to predict or to determine the outcome of all current or pending legal proceedings, the Executive Board is of opinion that the outcome is unlikely to have any material adverse effects on the financial position or results of the Issuer or its consolidated subsidiaries.

Auditors

6. Ernst & Young Accountants have acted as the auditors of the annual accounts of the Issuer for the financial years ending 31st December, 2001, 2002 and 2003 respectively.

Use of Proceeds

7. The net proceeds of the issue of the Securities, amounting to approximately euro 980,000,000 will be applied by the Issuer for its general corporate purposes.

Documents available

8. Copies of the following documents will be available free of charge, from the registered office of the Issuer and from the specified office of the Fiscal and Paying Agent for the time being as long as any of the Securities remains outstanding:
 - (a) the English translation of the Articles of Association (statuten) of the Issuer;
 - (b) the audited financial statements of the Issuer (in English) in respect of the years ended 31st December, 2001, 2002 and 2003; and
 - (c) copies of the Trust Deed, the Agency Agreement and the Calculation Agency Agreement.

U.S. Tax Legend

9. All Securities will carry a legend to the following effect: 'Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code'. The sections referred to in such legend provide that United States persons, with certain exceptions, will not be entitled to deduct any loss, and will not be entitled to capital gains treatment with respect to any gain, realised on any sale, exchange or redemption of a Security.

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REGISTERED AND PRINCIPAL OFFICE OF THE ISSUER

ING Groep N.V.
Amstelveenseweg 500
1081 KL Amsterdam
The Netherlands

CALCULATION AGENT

ING Bank N.V.
Treasury Center
Foppingadreef 7
1102 BD Amsterdam
The Netherlands

FISCAL AND PAYING AGENT

ING Bank N.V.
Van Heenvlietlaan 220
1083 CN Amsterdam
The Netherlands

AMSTERDAM LISTING AGENT

ING Bank N.V.
Bijlmerplein 888
1102 MG Amsterdam-Zuidoost
The Netherlands

LEGAL ADVISER

To the Managers
Allen & Overy
Apollolaan 15
1077 AB Amsterdam
The Netherlands

INDEPENDENT PUBLIC AUDITORS

Ernst & Young Accountants
Drentestraat 20
1083 HK Amsterdam
The Netherlands

TRUSTEE

Amsterdamsch Trustee's Kantoor B.V.
Olympic Plaza
Fred. Roeskestraat 123
1076 EE Amsterdam
The Netherlands

Lead Manager

ING Financial Markets

Co-lead Managers

BNP Paribas
Citigroup Global Markets Limited
Goldman Sachs International
Coöperatieve Centrale Raiffesen-Boerenleenbank B.A.