

Final Terms dated 1 March 2011, as amended and restated on 25 May 2011

**ING Bank N.V.**  
**Issue of a maximum of EUR 27,000,000 6 Year “ING Inflation plus 04/17 Notes” due April 2017**  
**issued pursuant to a**  
**€50,000,000,000 Global Issuance Programme**

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in that Public Offer Jurisdiction mentioned in Paragraph 37 of Part A below, provided such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in Chapter 2, Part 1 and Chapter 8, Part 1 of the base prospectus dated 31 March 2011 and the Supplement dated 11 May 2011 (hereinafter together referred to as the “**Base Prospectus**”) which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms applicable to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. Copies of the Base Prospectus may be obtained from ING Bank N.V. Written or oral requests for such documents should be directed to ING Bank N.V. at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands (Tel +31 (0)20 501 3477).

**Prospective investors should carefully consider the section “Risk Factors” in the Base Prospectus.**

**GENERAL DESCRIPTION OF THE NOTES**

- |                                      |   |
|--------------------------------------|---|
| 1. Issuer:                           | ING Bank N.V.   |
| 2. Series Number:                    | 4028  |
| 3. Specified Currency or Currencies: | EUR   |
| 4. Aggregate Nominal Amount          | A maximum of EUR 27,000,000.<br><br>(The Aggregate Nominal Amount will be determined by the Issuer through the Lead Manager, (“ <i>Responsabile del Collocamento</i> ”) taking the number |

of allocations into consideration. The Aggregate Nominal Amount shall be announced within five Business Days following the close of the Offer Period on the following websites: www.structuredproducts.ing.com and www.ingstructuredproducts.be (altogether to be referred to as the “**Issuer’s Websites**”) and www.mpscapitalservices.it (to be referred to as the “**Lead Manager’s Website**”).

5. Issue Price:

100 per cent. of the Aggregate Nominal Amount .

6. Offer price, offer period and application process:

Applicable

The Offer Price is equal to the Issue Price.

**Components of the Issue Price**

As at 15 February 2011, the Offer price for the Notes (100 per cent.) may be determined as follows: (i) the value of the bond component, (ii) the value of the derivative component, (iii) the management fee and (iv) the selling fee

**- Value of the bond component:**

The bond component of each Note is represented by a bond that redeems at 100% on the Maturity Date and pays an annual fixed coupon equal to 3.75% per annum at the end of the First Interest Period.

The value of the bond component, at the date of 15 February 2011, is equal to 80.360%.

**- Value of the derivative component:**

The derivative component of each Note is represented by a five years option, with one year forward start, linked to the EUR – Excluding Tobacco Non-revised Consumer Price Index, implicitly bought by the investor. The floor is equal to 0 (zero), with yearly payments and yearly strike resets on 150% of the Aggregate Nominal Amount of the Notes.

The value of the derivative component, at the date of 15 February 2011, is equal to 17.010%.

In connection with the offer, the Issuer shall pay to the Lead Manager a management fee and to the Distributors, through the Lead Manager, a selling fee, to be calculated in respect of the Aggregate Nominal Amount effectively placed on a percentage basis of the Issue Price. See further paragraph 34 (“**Total commission and concession**”) below.

On the basis of (i) the value of the bond component, (ii) the value of the derivative component, (iii) the management fee and (iv) the selling fee, the Offer Price

for the Notes may be determined as follows:

Value of the bond component:	80.360%
Value of the derivative component:	17.010%
Management fee:	0.526%
Selling fee:	2.104%
Offer price:	100.000%.

The subscription period for the Notes is from (and including) 1 March 2011 to (and including) 20 April 2011 during the Distributors' banking opening hours. The Notes placed pursuant to Article 30 of the Italian Legislative Decree of 24 February 1998, n. 58, as subsequently amended, will be offered from (and including) 1 March 2011 to (and including) 13 April 2011. The Issuer reserves the right to close the subscription period earlier. Notice of the early closure of the offer period will be made to investors by means of a notice published on the Issuer's Websites, the Lead Manager's Website and on the Distributors' websites mentioned below.

Investors may subscribe for the Notes through the Distributors (as defined below) during the Offer Period in accordance with the arrangements existing between the Distributors and their customers relating to the subscription of financial products such as the Notes.

Investors may not be allocated all of the Notes for which they apply. The offering may, at the discretion of the Issuer, be cancelled at any time prior to the Issue Date. For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor shall not be entitled to subscribe or otherwise purchase any Notes.

The Issuer shall give timely and properly notice of such a cancellation through the Lead Manager's Website and Distributors' Websites.

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|--|---|
| 7. Details of minimum and maximum amount of application: | Not Applicable  |
| 8. (i) Specified Denominations:                          | EUR 1,000.  |
| (ii) Calculation Amount:                                 | Not Applicable  |
| 9. Issue Date and Interest Commencement Date:            | 28 April 2011   |
| 10. Maturity Date:                                       | 28 April 2017   |
| 11. Interest Basis:                                      | For the period from (and including) the Interest Commencement Date to (but excluding) 28 April 2012 (the " <b>First Interest Period</b> "): Fixed Rate (further |

- particulars specified in paragraph 17 below), and  
 For the period from (and including) 28 April 2012 to (but excluding) the Maturity Date: Floating Rate (further particulars specified in paragraph 18 below)
12. Redemption/Payment Basis: Redemption at par as specified in paragraph 23 below.
13. Change of Interest Basis or Redemption/Payment Basis: Applicable:  
 The Interest Basis changes from Fixed Rate to Floating Rate on 28 April 2012.  
 (further particulars specified in paragraphs 17 and 18 below).
14. Put/Call Options: Not Applicable
15. Status of the Notes: Senior
16. Method of distribution: Non-syndicated

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

17. **Fixed Rate Note Provisions:** Applicable
- (i) Rate of Interest: 3.75 per cent. per annum
- (ii) Interest Payment Date(s): 28 April 2012, subject to adjustment in accordance with Following Business Day Convention (Unadjusted) (as defined in condition 4(b) of the General Conditions).
- (iii) Fixed Coupon Amount(s): EUR 37.50 per Specified Denomination.
- (iv) Broken Amount(s): Not Applicable
- (v) Day Count Fraction: Actual/Actual (ICMA)
- (vi) Determination Date(s): Interest Payment Date
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable
18. **Floating Rate Note Provisions:** Applicable
- (i) Specified Period(s)/Specified Interest Payment Dates: 28 April in each year from (and including) 28 April 2013 to (and including) the Maturity Date, subject to adjustment in accordance with the Business Day Convention specified in paragraph 18(ii) below.  
 Each Interest Payment Date may be referred to as Interest Payment Date<sub>t</sub>, where “t” means the number 1 to 5. (e.g. if t=1, Interest Payment Date<sub>1</sub> means 28 April 2013).
- (ii) Business Day Convention: Following Business Day Convention (Unadjusted)
- (iii) Additional Business Centre(s): No Additional Business Centres. For the purposes of the Notes, “**Business Day**” means a day on which the TARGET System is open.
- (iv) Manner in which the Rate of Interest and In respect of each Interest Period, the Interest Amount

Interest Amount(s) is/are to be determined for Floating Rate Notes:

per Note is determined in accordance with the following formula:

$$\text{Specified Denomination} \times \left( 1.5 \times \text{MAX} \left[ 0; \left( \frac{\text{Index}_t}{\text{Index}_{t-1}} - 1 \right) \right] \right)$$

Where:

“**Index<sub>t-1</sub>**” means the Index Level published for the month February in the year immediately preceding Interest Payment Date<sub>t</sub> (a “**Determination Date**”); and

“**Index<sub>t</sub>**” means the Index Level published for the month February immediately preceding the Interest Payment Date<sub>t</sub> (a “**Determination Date**”).

For the avoidance of doubt, with respect to Interest Payment Date<sub>1</sub>, Index<sub>t-1</sub> means the Index Level published for the month February 2012 and Index<sub>t</sub> the Index Level published for the month February 2013.

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|---|---|
| (v) Party responsible for calculating the Rate of Interest and Interest(s) Amount:  | Calculation Agent                                       |
| (vi) Screen Rate Determination:   | Not Applicable  |
| (vii) ISDA Determination:   | Not Applicable  |
| (viii) Margin(s):   | Not Applicable  |
| (ix) Minimum Rate of Interest:  | Not Applicable  |
| (x) Maximum Rate of Interest:   | Not Applicable  |
| (xi) Day Count Fraction:  | Actual/Actual (ICMA)                                    |
| (xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes or Variable-linked Interest Notes, if different from those set out in the General Conditions: | None  |
| 19. <b>Zero Coupon Note Provisions:</b>   | Not Applicable  |
| 20. <b>Dual Currency Interest Note Provisions:</b>  | Not Applicable  |
| <b>PROVISIONS RELATING TO REDEMPTION</b>  |   |
| 21. Issuer Call:  | Not Applicable  |
| 22. Noteholder Put:   | Not Applicable  |
| 23. Final Redemption Amount of each Note:   | An amount per Note equal to the Specified Denomination. |
| 24. Other:  |   |
| (i) Early Redemption Amount of each Note payable on redemption for taxation reasons or on Issuer event of default   |   |

- and/or the method of calculating the same (if required or if different from that set out in Condition 6(f) of the General Conditions):
- Early Redemption Amount to be equal to the nominal amount as set out in Condition 6(f)(i) of the General Conditions.
- (ii) Notice period (if other than as set out in the General Conditions): As set out in the General Conditions.
- (iii) Other (Condition 6(m) of the General Conditions): Not Applicable

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

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

#### **DISTRIBUTION**

32. If syndicated, names of Managers: Not Applicable
33. If non-syndicated, name of relevant Dealer: Applicable. The Notes will be publicly offered in the Republic of Italy through the following institutions (each a “**Distributor**” and together the “**Distributors**”):

**Banca Monte dei Paschi di Siena S.p.A.**  
 Piazza Salimbeni, 3  
 53100 Siena - Italy  
 (website: [www.mps.it](http://www.mps.it))

**Banca Antonveneta S.p.A.**

Piazzetta Turati 2

35131 Padova – Italy

(website: [www.antonveneta.it](http://www.antonveneta.it))

MPS Capital Services Banca per le Imprese S.p.A. (“**MPSCS**”), having its registered office at Via L. Pancaldo 4, Firenze, (Offices: viale Mazzini 23, Siena) Italy, will be acting as Lead Manager (*Responsabile del Collocamento*) pursuant to article 93-bis of the Italian Financial Services Act, Legislative Decree no. 58 of 1998.

34. Total commission and concession: The Issuer has agreed to make Notes available to the Distributors at a price of 100 per cent. of the Aggregate Nominal Amount of the Notes on the Issue Date. In connection with the offer, the Issuer shall pay to the Distributors (through the Lead Manager) a selling fee of 2.104 per cent. of the Aggregate Nominal Amount of the Notes effectively placed. In addition, the Issuer shall pay to the Lead Manager a management fee of 0.526 per cent. of the Aggregate Nominal Amount of the Notes effectively placed. Accordingly, the effective total commission in relation to the Notes will be 2.63 per cent. of the Aggregate Nominal Amount of the Notes effectively placed, which is reflected in the Issue Price of the Notes.
35. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D rules are applicable
36. Additional selling restrictions: Not Applicable
37. (i) Simultaneous offer: Not Applicable
- (ii) Non-exempt offer: An offer of Notes may be made by the Distributors, during their banking opening hours other than pursuant to Article 3(2) of the Prospectus Directive in Italy (“**Public Offer Jurisdiction**”) during the period from (and including) 1 March 2011 to (and including) 20 April 2011 (“**Offer Period**”). The Notes placed pursuant to Article 30 of the Italian Legislative Decree of 24 February 1998, n. 58, as subsequently amended, will be offered from (and including) 1 March 2011 to (and including) 13 April 2011. See above, paragraph 6.
38. Process for notification to applicants of amount allotted and indication whether dealing may begin before notification is made: Investors will be notified of the amount of Notes allotted to them through the relevant Distributors. No dealing in the Notes may begin before such notification is made.

39. **FX, BENCHMARK, FX CONVERTIBILITY EVENT, FX TRANSFERABILITY EVENT AND TAX EVENT PROVISIONS**

(i) <b>FX Provisions:</b>	Not Applicable
(ii) <b>Benchmark Provisions:</b>	Not Applicable
(iii) <b>FX Convertibility Event Provisions:</b>	Not Applicable
(iv) <b>FX Transferability Event Provisions:</b>	Not Applicable
(v) <b>Tax Event Provisions:</b>	Not Applicable

40. **INFLATION LINKED PROVISIONS**

Index:	EUR – Excluding Tobacco-Non-revised Consumer Price Index (Bloomberg code: CPTFEMU <Index>)
Index Sponsor:	Eurostat
Related Bond:	Applicable
Issuer of Related Bond:	Not Applicable
Related Bond Redemption Event:	Not Applicable
Averaging Date:	Not Applicable
Observation Date:	Not Applicable
Expiration Date:	Not Applicable
Strike Date:	Not Applicable
Strike Price:	Not Applicable
Observation Period:	Not Applicable
First Publication:	Not Applicable
Substitute Index Level:	As determined in accordance with Condition 6(n)
Cut-Off Date:	In respect of a Determination Date, the day that is 5 Business Days prior to such Determination Date.
Business Day Convention:	Following Business Day Convention (Unadjusted).
Change in Law:	Applicable

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for the issue and public offer in Italy of the Notes described herein pursuant to the €50,000,000,000 Global Issuance Programme of ING Bank N.V., ING Bank N.V., Sydney Branch, ING Groenbank N.V., ING Bank (Australia) Limited, ING Bank of Canada, ING (US) Issuance LLC and ING Americas Issuance B.V.

**RESPONSIBILITY**

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



Signed on behalf of the Issuer:

By: .....  
*Duly authorised*

By: .....  
*Duly authorised*

## PART B – OTHER INFORMATION

### 1 LISTING

Listing:	None
Admission to trading:	<p>The Lead Manager has informed the Issuer that the Lead Manager undertakes to apply for the Notes to be admitted to trading on the <i>Internalizzatore Sistematico</i> named De@IDone Trading (DDT) in respect of which MPS Capital Services Banca per le Imprese S.p.A. plays the role of <i>negoziatore unico</i>, pursuant to the Italian applicable laws and regulations.</p> <p>In relation to the Notes, MPS Capital Services Banca per le Imprese S.p.A. shall enter into a liquidity agreement with the Distributors. Under this agreement it shall be bound to make bid/ask prices which, referring to the Issuer's creditworthiness, will be determined as follows:</p> <ul style="list-style-type: none"><li>(a) until the total notional amount repurchased by MPSCS is less than or equal to the 10 per cent. of the nominal amount of Notes effectively placed, the price shall reflect the Issuer's funding level for the Notes itself, equal to 3 months EURIBOR plus the funding spread equal to 1.20 per cent.;</li><li>(b) after that threshold has been reached, for the total remaining part of 90 per cent. of the nominal amount effectively placed the price shall reflect the prevailing market conditions as of the relevant purchase/selling date.</li></ul> <p>To the price so determined, in case of purchase by the investor, a margin up to a maximum of 0.30 per cent. of the amount that will be purchased will be added, or, in case of sale by the investor, a margin up to a maximum of 1.50 per cent. of the amount to be sold will be deducted.</p> <p>MPS Capital Services Banca per le Imprese S.p.A. shall publish on its website <a href="http://www.mpscapitalservices.it">www.mpscapitalservices.it</a> a notice informing the investors about the raising of 70 per cent. of the threshold sub (a) above, within 5 Business Days from the occurrence of this event.</p> <p>Furthermore, MPS Capital Services Banca per le Imprese S.p.A. shall publish on its website <a href="http://www.mpscapitalservices.it">www.mpscapitalservices.it</a> a notice informing the investors about the reaching of 100 per cent. of the threshold sub (a) above, within 5 Business Days from the occurrence of this event.</p>

The Issuer will not apply to list the Notes on any regulated market.

## 2 RATINGS

Ratings: The Notes will not be rated.

## 3 NOTIFICATION

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

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

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

The Lead Manager and the Distributors are, with respect to the offer of the Notes, in a position of conflict of interest with the investors as they are part of the same banking group (the Montepaschi Banking Group) and also in relation to their interests related to the distribution of the Notes.

The Lead Manager also acts as hedging and structuring counterparty of the Issuer in connection with the Issue of the Notes. The Lead Manager will receive a management fee equal to 0.526 per cent. of the Aggregate Nominal Amount of the Notes effectively placed and, the Distributors will effectively receive from the Issuer, through the Lead Manager, a selling fee equal to 2.104 per cent. of the Aggregate Nominal Amount of the Notes effectively placed, all of which are embedded in the Offer Price of the Notes (and will therefore be borne by investors). See above paragraph 34 (“**Total commission and concession**”).

It should be noted that De@lDone Trading (DDT) is a systematic internaliser managed and organised solely by MPS Capital Services Banca per le Imprese S.p.A. It should also be noted that in relation to the DDT MPS Capital Services Banca per le Imprese S.p.A. acts as exclusive dealer (*negoziatore unico*).

The Calculation Agent is ING Bank N.V, itself as agent of the Issuer and not of the Noteholders. The Calculation Agent is not acting as a fiduciary to any Noteholders. The Calculation Agent will make such determinations and adjustments, as it deems appropriate, in accordance with the terms and conditions of the Notes. In making such determinations and adjustments, the Calculation Agent will be entitled to substantial discretion and may be subject to conflicts of interest in exercising this discretion.

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

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

## 6 YIELD

Indication of yield: Minimum 0.635% per cent. per annum.  
Maximum: Not Applicable.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

## **7 INFORMATION CONCERNING THE UNDERLYING**

The return on the Notes is linked to the performance of the underlying Index. The levels of the Index may go down as well as up throughout the life of the Notes. Fluctuations in the levels of the Index will affect the value of and return on the Notes.

Information and details of the past and further performance of the underlying Index and its volatility can be obtained on [www.sdw.ecb.europa.eu](http://www.sdw.ecb.europa.eu) and Bloomberg (Bloomberg code: CPTFEMU <Index>).

## **8 RESULTS OF THE OFFER**

Results of the offer will be published on the Issuer's Websites and on the Lead Manager's Website, pursuant to art. 13 co. 2 of CONSOB Regulation no. 11971/1999, as amended.

## **9 POST-ISSUANCE INFORMATION**

Post-issuance information in relation to the Notes will be made available on the Issuer's Websites. There is no assurance that the Issuer will continue to provide such information for the life of the Notes.

## **10 OPERATIONAL INFORMATION**

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|---|--|
| (i) Intended to be held in a manner which would allow Eurosystem eligibility:                 | No   |
| (ii) ISIN CODE:   | XS0594293960   |
| (iii) Common Code:  | 059429396  |
| (iv) Other relevant code:   | Not Applicable   |
| (v) Clearing system(s):   | Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme. |
| (vi) Delivery:  | Delivery against payment   |
| (vii) Names and addresses of additional Paying Agent(s) (if any):                             | Not Applicable   |
| (viii) Name and address of Calculation Agent (if other than the Issuer):                      | Not Applicable   |
| (ix) Name and address of Finnish Registrar/ Norwegian Registrar/Swedish Registrar:            | Not Applicable   |
| (x) Name and address of Finnish Issuing Agent/ Norwegian Issuing Agent/Swedish Issuing Agent: | Not Applicable   |

## **11 FURTHER ADDITIONAL INFORMATION**

### **Specific information concerning investment risk**

**Noteholders and prospective investors should be aware that the Notes are only intended for investors who have the necessary experience and knowledge in order to understand the risks involved in relation to the Notes and that they consider the suitability of the Notes as an investment in the light of their own**

**circumstances and financial condition. Prospective investors should consider the risk factors set forth under "Risk Factors" in the Base Prospectus and the risk factors described herein before investing in the Notes.**

**Credit Risk:** Noteholders will be exposed to a general risk of insolvency on the part of the Issuer, i.e. a risk that Issuer may be unable to fulfil its obligations to repay principal at maturity and pay any interest accrued, if and when such amounts become due. A deterioration of the creditworthiness of the Issuer will increase the risk that the Issuer may not make payments under the Notes when such payments become due.

**Risk of fluctuation of the Index:** The value and/or the return on the Notes is dependent on the fluctuations of the underlying Index, influenced, among others, by the market volatility and the fluctuations in the market interest rates. In case of a negative performance of the Index, the investor may obtain a yield which is lower than the yield of non-structured bond issued by an issuer with comparable characteristics and creditworthiness as the Issuer.

**Risk relating to contingency of coupons after the first year of the Notes:** The interest rate applicable to the Notes is a fixed rate (3.75 % per annum) for the first year. For the remaining term, the Notes will bear interest at a floating rate. The floating interest rates are dependent on the performance of the underlying Index. In case the performance of the underlying Index is zero or negative, the floating interest rate will be zero and no interest will be payable under the Notes.

**Price Risk:** The Offer Price of the Notes includes management fees and selling fees. If a Noteholder sells a Note during the period immediately following the Issue Date, the market value could be less than the Offer Price of the Notes and the Noteholder may therefore receive an amount lower than the amount that a holder of the Notes would have received, if it held the Notes to maturity. The secondary market price of the Notes will depend on many factors, including, but not limited to, the level and volatility of interest rates, the credit rating of the Issuer and the remaining time to maturity of the Notes. If a Noteholder sells a Note prior to its maturity, it may therefore receive an amount substantially lower than the amount that a holder of the Notes would have received, if it held the Notes to maturity.

**Liquidity Risk:** Noteholders may not be able to promptly liquidate the Notes prior to the Maturity Date. The then pertaining market price could be substantially lower than the initial investment in the Notes. The possibility for investors to sell the Notes prior to the Maturity Date is dependent on the presence and availability of a counterparty acting as buyer of the Notes. Investors should consider the duration of the Notes when investing in the Notes together with their future needs of liquidity in relation thereto. None of the Issuer and the Distributors shall provide a secondary market for the Notes. The only way in which the Noteholders may realise the value from the Notes prior to the Maturity Date is to sell the Notes at their then pertaining market price in the market as set out above in section 1 "*Admission to Trading*" – Part B of these Final Terms, which may be substantially lower than the amount initially invested.

It's important to underline that once MPSCS has completed the repurchase of the 10 per cent of the Notes, as set out in section 1 mentioned above, the bid/ask prices will reflect the prevailing market conditions as of the date when such purchase or sale takes place. Accordingly, the prices so determined could be substantially lower than the prices that were formulated before such time and which reflected the Issuer's funding level.

### **Scenario Analysis**

The figures below are purely hypothetical and serve only to provide investors with information on the potential annual yields of the Notes on the basis of different scenarios.

The actual realisation of any of these scenarios in the future cannot be guaranteed.

An annual coupon equal to 3.75% per annum (gross) will be paid at the end of the First Interest Period. Thereafter, the coupons will be equal to 1.5 times the variation of the EUR – Excluding Tobacco Non-revised Consumer Price Index.

The figures in the table have below have been rounded to the third decimal for the ease of analysis.

<b>NEGATIVE SCENARIO</b>					
Interest Payment Date	Participation	Floor	Performance	Gross Rate of Interest <sup>(*)</sup>	Net Rate of Interest <sup>(**)</sup>
28/04/2012				3.750%	3.281%
28/04/2013	150%	0%	-1.523%	0%	0
28/04/2014	150%	0%	-2.346%	0%	0
28/04/2015	150%	0%	-0.788%	0%	0
28/04/2016	150%	0%	-1.985%	0%	0
28/04/2017	150%	0%	-2.890%	0%	
<b>Gross Annual Yield (*)</b>					<b>0.635%</b>
<b>Net Annual Yield (**)</b>					<b>0.554%</b>

<b>INTERMEDIATE SCENARIO</b>					
Interest Payment Date	Participation	Floor	Performance	Gross Rate of Interest <sup>(*)</sup>	Net Rate of Interest <sup>(**)</sup>
28/04/2012				3.750%	3.281%
28/04/2013	150%	0%	2.667%	4.001%	3.500%
28/04/2014	150%	0%	2.813%	4.220%	3.692%
28/04/2015	150%	0%	2.907%	4.361%	3.815%
28/04/2016	150%	0%	2.987%	4.481%	3.920%
28/04/2017	150%	0%	2.667%	4.001%	3.500%
<b>Gross Annual Yield (*)</b>					<b>4.125%</b>
<b>Net Annual Yield (**)</b>					<b>3.611%</b>

<b>POSITIVE SCENARIO</b>					
Interest Payment Date	Participation	Floor	Performance	Gross Rate of Interest <sup>(*)</sup>	Net Rate of Interest <sup>(**)</sup>
28/04/2012				3.750%	3.281%
28/04/2013	150%	0%	3.147%	4.721%	4.130%
28/04/2014	150%	0%	3.327%	4.991%	4.367%
28/04/2015	150%	0%	3.860%	5.790%	5.066%
28/04/2016	150%	0%	3.907%	5.861%	5.128%
28/04/2017	150%	0%	3.767%	5.651%	4.944%
<b>Gross Annual Yield (*)</b>					<b>5.070%</b>
<b>Net Annual Yield (**)</b>					<b>4.442%</b>

(\*) Before Italian withholding tax of 12.50% as applicable at the date of these Final Terms.

(\*\*) After Italian withholding tax of 12.50% as applicable at the date of these Final Terms.