**SUPPLEMENT DATED 2 OCTOBER 2014 TO THE BASE PROSPECTUS DATED 2 JUNE 2014**

**Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.**
(Incorporated under the laws of the Netherlands with limited liability and having its statutory domicile in The Hague)

**EUR 5,000,000,000**

**Debt Issuance Programme**

This second supplemental prospectus (the "**Second Supplemental Prospectus**") is based on Article 5:23 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "**DFSA**") and is supplemental to, forms part of and should be read in conjunction with, the base prospectus dated 2 June 2014 (the "**Original Base Prospectus**") as supplemented by the first supplemental prospectus dated 6 June 2014 (the "**First Supplemental Prospectus**" and together with the Original Base Prospectus, the "**Base Prospectus**") in relation to the EUR 5,000,000,000 Debt Issuance Programme (the "**Programme**") under which Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. ("**FMO**" or the "**Issuer**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the Relevant Dealer (as defined in the Base Prospectus).

The purpose of this Second Supplemental Prospectus is to incorporate by reference FMO's interim report dated 20 August 2014 in relation to its 2014 semi-annual results (as made available on http://www.fmo.nl/investorrelations) into the Base Prospectus and to add certain information on taxes, including on the income from the Notes withheld at source, under the laws of Germany, Belgium and Norway. The Issuer has requested the AFM to provide the *Commission de Surveillance du Secteur Financier* in Luxembourg, the *Financial Conduct Authority* in the United Kingdom, the *Financial Services and Markets Authority* in Belgium, the *Bundesanstalt für Finanzdienstleistungsaufsicht* in Germany and *Finanstilsynet* in Norway in their capacity as competent authority, with a certificate of approval attesting that the Base Prospectus and this Second Supplemental Prospectus have been drawn up in accordance with the Prospectus Directive (as defined below).

Where this Second Supplemental Prospectus relates to an offer of Notes to the public within the meaning of the Prospectus Directive (as defined below), investors who have already agreed to purchase or subscribe for Notes before the date of this Second Supplemental Prospectus have the right, exercisable within two working days in their jurisdiction after the date of this Second Supplemental Prospectus, to withdraw their acceptances.

Terms defined in the Base Prospectus shall have the same meaning in this Second Supplemental Prospectus, unless specified otherwise.

This Second Supplemental Prospectus has been approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "**AFM**"), which is the Netherlands competent authority for the purpose of Directive 2003/71/EC (the "**Prospectus Directive**", which term includes amendments thereto, to the extent implemented in a relevant Member State of the European Economic Area) and relevant implementing measures in the Netherlands, as a supplemental prospectus issued in compliance with the Prospectus Directive, Commission Regulation EC No. 809/2004 (the "**Prospectus Regulation**", which term includes amendments thereto) and relevant implementing measures in the Netherlands, for the purpose of giving information with regard to the issue of Notes under the Programme during the period of twelve months after the date of the Base Prospectus.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and certain of the Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons (see the section headed 'Subscription and Sale' in the Base Prospectus).

**PROSPECTIVE INVESTORS SHOULD HAVE REGARD TO THE FACTORS DESCRIBED UNDER THE SECTION HEADED 'RISK FACTORS' IN THE BASE PROSPECTUS.**

This Second Supplemental Prospectus is supplemental to, forms part of, and should be read in conjunction and construed together with, the Base Prospectus, including any documents incorporated by reference therein, which can be found on the investor relations section on the website of the Issuer (http://www.fmo.nl/investorrelations), and in relation to any Tranche of Notes, the Base Prospectus should be read and construed together with the relevant Final Terms.

**IMPORTANT NOTICES**

**FMO accepts responsibility for the information contained in this Second Supplemental Prospectus. To the best of the knowledge and belief of FMO (which has taken all reasonable care to ensure that such is the case) the information contained in this Second Supplemental Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information from third-parties, as specified in the applicable Final Terms, has been accurately reproduced and does not omit anything likely to render the reproduced information inaccurate or misleading. FMO accepts responsibility accordingly.**

**Neither the Arranger, the Dealers or the Amsterdam Listing Agent and Paying Agents nor any of their respective affiliates, directors, officers or employees or any other affiliated person, accepts any responsibility whatsoever for the contents of this Second Supplemental Prospectus nor for any other statements made or purported to be made by either themselves or on their behalf in connection with the Issuer, the Programme, the Notes or the issue or distribution of the Notes. Accordingly, each of them disclaims any and all liability, whether arising in tort or contract or otherwise in respect of this Second Supplemental Prospectus or any such statement.**

**No person has been authorised to give any information or to make any representation not contained in or not consistent with the Base Prospectus, this Second Supplemental Prospectus or any Final Terms or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by FMO or any of the Dealers.**

**Neither this Second Supplemental Prospectus nor any Final Terms nor any other information supplied in connection with the Programme should be considered as a recommendation by FMO, the Arranger, any of the Dealers or the Amsterdam Listing Agent and Paying Agents or any of their respective affiliates, directors, officers or employees or any other affiliated person that any recipient of this Second Supplemental Prospectus or any other information supplied in connection with the Programme should purchase any Notes. Accordingly, no representation, warranty or undertaking, express or implied, is made or given and no responsibility is accepted by any one or more of them as to the accuracy, completeness or fairness of the information or opinions contained in this Second Supplemental Prospectus or any other information provided by FMO and no such information and none of such opinions is, or may be relied upon as, a promise or representation by any one or more of them as to the past or future.**

**Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of FMO. Neither this Second Supplemental Prospectus nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of FMO, the Arranger or any of the Dealers to any person to subscribe for or to purchase any Notes.**

**Neither the delivery of this Second Supplemental Prospectus nor the offering, sale or delivery of any Notes shall at any time imply that the information contained herein concerning FMO is correct at any time subsequent to the date hereof or, as the case may be, the date upon which the Base Prospectus has been most recently amended or supplemented or the balance sheet date of the most recent financial statements deemed to be incorporated by reference into the Base Prospectus or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger, the Dealers and the Amsterdam Listing Agent and Paying Agents expressly do not undertake to review the financial condition or affairs of FMO during the life of the Programme. Investors should review, *inter alia*, the most recent company financial statements of FMO and any other relevant publicly available information when deciding whether to purchase any Notes.**

**Neither this Second Supplemental Prospectus nor any part of this Second Supplemental Prospectus constitutes an offer or an invitation to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this Second Supplemental Prospectus and any Final Terms and the offer or sale of Notes in certain jurisdictions may be restricted by law. FMO, the Arranger, the Dealers and the Amsterdam Listing Agent and Paying Agents do not represent that this Second Supplemental Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by FMO, the Arranger, the Dealers, the Amsterdam Listing Agent or Paying Agents which would permit a public offering of any Notes or distribution of this Second Supplemental Prospectus in any jurisdiction where action for that purpose is required. Accordingly,**

**no Notes may be offered or sold, directly or indirectly, and neither this Second Supplemental Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations without any further action for that purpose being required. Persons into whose possession this Second Supplemental Prospectus (or any part thereof) or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Second Supplemental Prospectus and the offer or sale of Notes in the United States, the United Kingdom, the Netherlands and Japan (see the section headed '*Subscription and Sale*' in the Base Prospectus).**

**The Notes have not been approved or disapproved by the US Securities and Exchange Commission, any State Securities Commission or any other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Second Supplemental Prospectus. Any representation to the contrary is unlawful.**

**ABN AMRO Bank N.V. has been engaged by the Issuer solely as Paying Agent and Amsterdam Listing Agent. Its Paying Agent activities relate to performing certain payment services on behalf of the Issuer towards the Noteholders and determination of the interest rates. The Amsterdam Listing Agent activities relate to the admission of the Notes to trading on, if applicable, Euronext Amsterdam. ABN AMRO Bank N.V.'s activities pursuant to the engagement have consisted of assisting the Issuer with filing the application for admission to listing with Euronext Amsterdam.**

**ABN AMRO Bank N.V. is acting for the Issuer and for no one else and will not regard any other person as its client in connection with the Programme, the Notes, or the issue or distribution of the Notes and will not be responsible for anyone other than the Issuer for providing the protections afforded to its clients nor for providing advice in relation to the Programme, the Notes, or the issue or distribution of the Notes nor any other transaction or arrangement referred to in this Second Supplemental Prospectus.**

**The Base Prospectus and this Second Supplemental Prospectus have been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (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 Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in the Base Prospectus and this Second Supplemental Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so:**

**(i)** **in circumstances in which no obligation arises for FMO 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 the circumstances described in the section headed '*Public Offers of Public Offer Notes in the European Economic Area*' of the Base Prospectus.**

**See the section headed '*Subscription and Sale*' in the Base Prospectus for further information.**

**SUPPLEMENTAL INFORMATION**

This Second Supplemental Prospectus supplements the section headed '*Documents Incorporated by Reference*' of the Base Prospectus. Reference should also be made to FMO's 2014 interim report as filed with the AFM which document shall be deemed to be incorporated in, and form part of, the Base Prospectus:

- FMO's interim report dated 20 August 2014 in relation to its 2014 semi-annual results.

The 2014 interim report should be read in conjunction and construed together with the information set forth, or incorporated by reference, in the Base Prospectus.

This Second Supplemental Prospectus supplements the section headed '*Taxation*' of the Base Prospectus with the following paragraphs:

**Tax treatment in Belgium**

***General***

*The following information is general in nature with respect to the tax treatment of Notes (including Coupons, Talons or Receipts). It does not constitute tax advice and does not purport to describe all tax considerations or consequences that may be relevant to a holder of Notes or prospective holder of Notes with respect to an investment in the Notes. In certain cases, other rules may apply. Moreover, the tax laws and their interpretation are liable to change at any time. Potential investors who would like complete information about the tax consequences in Belgium of the acquisition, holding and assignment of the Notes should consult their regular financial and tax advisors.*

*Except as otherwise indicated, this summary only addresses Belgian tax legislation, as in effect and in force at the date hereof, as interpreted in published case law, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect. See 'Tax treatment in the Netherlands' for a summary of Dutch taxation rules that may apply.*

***Income tax and withholding tax***

For Belgian tax purposes, the following amounts are qualified and taxable as "interest": (i) periodic interest income, (ii) amounts paid by the Issuer in excess of the issue price (whether or not on the maturity date), and (iii) in case of a realization of the Notes between two interest payment dates, the pro rata of accrued interest corresponding to the detention period. For the purposes of the following paragraphs, any such gains and accrued interest are therefore referred to as "interest".

*(i) Tax rules applicable to Belgian resident individuals*

Individuals resident in Belgium for tax purposes are, in principle, subject to personal income tax in Belgium (*impôt des personnes physiques/personenbelasting*) and will, in principle, be subject to the tax treatment described below insofar as the Notes are concerned. Other rules may apply in specific situations, in particular if an individual holds the Notes in the context of a professional activity or if the investment in the Notes falls outside the scope of normal wealth management.

Payments of interest on the Notes made through a debtor or paying agent in Belgium will in principle be subject to a 25% withholding tax in Belgium (computed on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for Belgian resident individuals holding Notes. This means that they do not have to declare the interest obtained on the Notes in their personal income tax return, provided Belgian withholding tax was levied on these interest payments.

If the interest income is not collected through a debtor or paying agent in Belgium, no Belgian withholding tax is due. Interest payments that have not undergone Belgian withholding tax, must be declared in the personal income tax return and will be taxed separately at a flat rate of 25% (unless the globalisation with the other income would be more advantageous).

If the interest is received through a foreign paying agent within the meaning of the Savings Directive and such agent levied the Home State Tax (as defined in the section '*Savings Directive*' below), such Home State Tax does not relieve the Belgian individual from declaring the interest income in his personal income tax return. However, the Home State Tax will be imputed to the beneficiary's tax liability. If the Home State Tax exceeds

the taxpayer's tax liability, the surplus will be refunded provided it is at least € 2.50. The rate of the Home State Tax is currently 35%.

Capital gains realized on the sale of the Notes are in principle tax exempt, unless the capital gains are realized outside the scope of the normal management of one's private estate, the Notes are held in the context of a professional activity or unless the capital gains qualify as interest (as defined above). Capital losses are in principle not tax deductible.

*(ii) Tax rules applicable to Belgian resident corporations*

Companies resident in Belgium for tax purposes are, in principle, subject to corporate income tax in Belgium (*impôt des sociétés/vennootschapsbelasting*) and will, in principle, be subject to the tax treatment described below insofar as the Notes are concerned.

Interest derived and capital gains realized on the Notes by Belgian corporate investors will in principle be subject to Belgian corporate income tax at a rate of 33.99%. If the income has been subject to a foreign withholding tax, a foreign tax credit will be applied on the Belgian tax due. For interest income, the foreign tax credit is generally equal to a fraction where the numerator is equal to the foreign tax and the denominator is equal to 100 minus the rate of the foreign tax, up to a maximum of 15/85 of the net amount received (subject to some further limitations). Capital losses are in principle tax deductible.

To the extent that payments of interest on the Notes are made through a debtor or paying agent in Belgium, such payments will in principle be subject to a 25% withholding tax in Belgium (computed on the interest received after deduction of any non-Belgian withholding taxes). In certain circumstances, exemption from withholding tax may be available. The Belgian withholding tax that has been levied, if any, is creditable against the corporate income tax due subject to certain conditions.

*(iii) Tax rules applicable to other legal entities resident in Belgium*

Legal entities resident in Belgium for tax purposes are, in principle, subject to legal entities tax in Belgium (*impôt des personnes morales/rechtspersonenbelasting*) and will, in principle, be subject in Belgium to the tax treatment described below insofar as the Notes are concerned.

Payments of interest on the Notes made through a debtor or paying agent in Belgium will in principle be subject to a 25% withholding tax in Belgium. No further tax on legal entities will be due on the interest payment.

However, if the interest is paid outside Belgium without the intervention of a Belgian debtor or paying agent and thus without the deduction of Belgian withholding tax, the legal entity itself is responsible for the declaration and payment of the 25% withholding tax.

Capital gains realized on the sale of the Notes are in principle not taxable, unless the capital gain qualifies as interest (as defined above). Capital losses are in principle not tax deductible.

*(iv) Tax rules applicable to non-residents*

Holders of Notes not resident in Belgium for tax purposes are, in principle, subject to non-resident income tax in Belgium (*impôt des non-résidents/belasting der niet-inwoners*) and will, in principle, be subject to the tax treatment described below insofar as the Notes are concerned.

Payments of interest on the Notes made through a debtor or paying agent in Belgium will in principle be subject to a 25% withholding tax, save the application of a double taxation agreement (if any). Non-resident investors that do not hold the Notes through a Belgian establishment may also obtain an exemption of Belgian withholding tax on interest if certain conditions are met.

The non-residents who use the Notes to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as the Belgian resident companies (see above, section '*Tax rules applicable to Belgian resident corporations*').

Non-resident Noteholders who do not allocate the Notes to a professional activity in Belgium and who do not hold the Notes through a Belgian establishment are not subject to Belgian income tax, save, as the case may be, in the form of withholding tax.

***Tax on stock exchange transactions***

A tax on stock exchange transactions (*taxe sur des operations de bourse/taks op de beursverrichtingen*) at a rate of 0,09% (subject to a maximum amount of EUR 650 per party and per transaction) is due upon the sale and purchase of the Notes entered into or settled in Belgium in which a professional intermediary acts for either party and to the extent that they relate to public funds. The notion "public funds" refers to all marketable securities, which, by their nature, are susceptible of being traded on an organized exchange. The tax is due from each of the seller and the purchaser, both collected by the professional intermediary. The tax is not due upon subscription of new securities (primary market transactions) but only on secondary market transactions.

The tax will not be payable by exempt persons acting for their own account, including investors who are not Belgian residents and certain Belgian institutional investors as defined in Article 1261 of the Code governing miscellaneous duties, levies and taxes.

If Belgium were to adopt the FTT (see '*Risk Factors - Risks relating to the Notes - The proposed Financial Transaction Tax*'), the tax on stock exchange transactions will need to be abolished.

**Tax treatment in Germany**

*The following is a general description of certain German tax considerations relating to the payment of principal and interest in respect of the Notes, Coupons, Talons or Receipts. It does not purport to be a complete analysis of all tax considerations relating to the Notes, Coupons, Talons or Receipts and does not deal with other tax aspects of acquiring, holding or disposing of the Notes, Coupons, Talons or Receipts. It relates only to persons who are the absolute beneficial owners of Notes, Coupons, Talons or Receipts and may not apply to certain classes of holders. In addition, these comments may not apply where interest on the Notes, Coupons, Talons or Receipts is deemed to be the income of any other person for tax purposes. Prospective purchasers of Notes, Coupons, Talons or Receipts should be aware that the particular terms of issue of any series of Notes, Coupons, Talons or Receipts as specified in the relevant Final Terms may affect the tax treatment of that series of Notes, Coupons, Talons or Receipts and, therefore, an exact analysis of the tax consequences is only possible on the basis of the respective Final Terms. This summary is based upon the law as in effect in September 2014 and is subject to any change in law that may take effect thereafter even with retrospective effect. The following is a general guide and should be treated with appropriate caution. Holders or prospective holders of Notes, Coupons, Talons or Receipts should consult with their tax advisors with regard to the tax consequences of investing therein in their particular circumstances.*

***Tax residents***

The following paragraphs apply to persons resident in Germany, i.e. persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany.

*Taxation of interest income and capital gains*

- Notes, Coupons, Talons or Receipts held as private assets

  Private income derived from capital investments (*Einkünfte aus Kapitalvermögen*) is subject to the flat tax (*Abgeltungsteuer*) regime (unless the holder or a related person or entity holds a stake of at least 10 % in the Issuer, is a related person or entity to the Issuer). Such income from capital investments includes, inter alia, any interest received including interest having accrued up to the disposition of a security and credited separately (the "**Accrued Interest**"; *Stückzinsen*), if any, and capital gains from the disposal, redemption, repayment or assignment of Notes, Coupons, Talons or Receipts held as non-business assets irrespective of a holding period. The taxable capital gain is the difference between the proceeds from the disposition, redemption, repayment or assignment on the one hand and the direct acquisition and disposal costs (including lump sum fees payable to banks for the administration of a depository account or of assets provided they are documented as covering transaction costs and not current management fees and subject to further requirements) on the other hand. If Notes, Coupons, Talons or Receipts are issued in a currency other than Euro, the disposal proceeds and the acquisition costs each will be converted into Euro using the exchange rates as at the relevant dates, to the effect that currency gains and losses will also be taken into account in determining taxable income.

Related expenses (*Werbungskosten*) are not deductible, however, an annual tax allowance (*Sparer-Pauschbetrag*) of up to EUR 801 is granted in relation to all income from capital investments (up to EUR 1,602 for married couples or partners in a civil union (*Lebenspartnerschaft*) filing a joint tax return).

Accrued Interest paid upon the acquisition of privately held Notes, Coupons, Talons or Receipts may give rise to negative income from capital investments. Such negative income and losses from capital investments can only be set off with income from capital investments. Any losses not offset in a given year may be carried forward to future years and may only be deducted from income from capital investments.

Income from capital investments is subject to German income tax at a special tax rate of 25% (plus a solidarity surcharge (*Solidaritätszuschlag*) thereon at a rate of 5.5%, arriving at a tax rate of 26.375% plus, as the case may be, church tax at a rate of 8 or 9% thereon (depending on the residence of the holder)). The assessment base of the church tax is as a rule the income tax. Church tax paid is deducted as a special expense item (*Sonderausgabe*) in the course of the withholding process. As a rule, the tax is imposed by way of withholding (*Kapitalertragsteuer*). The withheld tax amounts settle the personal income tax liability. In the event that no withholding tax was withheld (for example in cases where the Notes, Coupons, Talons or Receipts were kept in custody abroad), the relevant income has to be declared in the personal tax return and income tax is assessed on the gross income from capital investments at the special tax rate of 25% (plus solidarity surcharge and, if applicable, church tax). An assessment may also be applied for in order to set off losses or to take advantage of the tax allowance if this was not done within the withholding process. An assessment may further be applied for if a taxation at the personal progressive rates applicable for the relevant tax payer would lead to a lower tax burden (so-called favourableness test – *Günstigerprüfung*). A deduction of related cost exceeding the above mentioned lump sum deduction (which applies once to all items of investment income) is not possible in the assessment procedure.

Where the income from the Notes, Coupons, Talons or Receipts qualifies as income from letting and leasing of property, the flat tax is not applicable. The holder will have to report income and related expenses in the tax return and the balance will be taxed at the holder's applicable personal progressive tax rate of up to 45% plus solidarity surcharge of 5.5% and church tax of 8 or 9% (depending on the residency of the investor) thereon. Any withholding tax withheld is credited against the personal income tax liability subject to certain documentation.

- Notes, Coupons, Talons or Receipts held as business assets

  Where Notes, Coupons, Talons or Receipts are held as business assets, any income derived therefrom is taxed as income from agriculture or forestry, business income, or as income from a self-employed activity (*selbständige Arbeit*), as the case may be. The flat tax regime is not applicable.

  In the event that Notes, Coupons, Talons or Receipts are held by an individual, the income is subject to income tax at the personal progressive tax rates of up to 45% (plus solidarity surcharge thereon of 5.5% and church tax thereon, as the case may be). In addition, the income – to the extent it is business income – is subject to trade tax (trade tax rates ranging from approx. 7 to 17% depending on the trade tax multiplier of the municipality concerned). Trade tax may in principle be (partially) credited against the income tax by way of a lump sum procedure.

  If the holder is a corporation, the income is subject to corporate income tax of 15% plus solidarity surcharge thereon of 5.5% and trade tax at the above rates.

  If the Notes, Coupons, Talons or Receipts are held by a partnership, the income derived therefrom is allocated directly to the partners. Depending on if the partners are individuals or corporations, the income is subject to income tax or to corporate income tax at the level of the partner. The income – to the extent it is business income – is further subject to trade tax at the above rates at the level of the partnership. In case of a partner who is an individual, the trade tax may in principle (partially) be credited against the income tax by way of a lump sum procedure.

*Withholding tax*

Withholding tax, if legally required, is levied at a uniform rate of 25% (in all cases plus solidarity surcharge thereon of 5.5% and, as the case may be, church tax thereon at a rate of 8 or 9% depending on the residency of the holder). A

German branch of a German or non-German bank or of a German or non-German financial services institution, or a German securities trading bank or business (each a "**German Disbursing Agent**") is in principle obliged to withhold withholding tax and pay it to the German tax authorities for the account of the holder of the Notes, Coupons, Talons or Receipts.

Where Notes, Coupons, Talons or Receipts are held in a custodial account that the holder maintains with a German Disbursing Agent, withholding tax will be levied on the gross interest payments. In the event that the disposition, redemption, repayment or assignment of a security is made or commissioned through a German Disbursing Agent effecting such disposition, redemption, repayment or assignment, withholding tax is levied on the capital gains from the transaction. To the extent the Notes, Coupons, Talons or Receipts have not been kept in a custodial account with the German Disbursing Agent since the time of acquisition, upon the disposal, redemption, repayment or assignment, the withholding tax rate is applied to 30% of the disposal proceeds (substitute assessment base – *Ersatzbemessungsgrundlage*), unless the holder of the Notes, Coupons, Talons or Receipts provides evidence of the actual acquisition cost by submitting a certificate of the previous German Disbursing Agent or a foreign credit or financial services institution within the European Economic Area. In computing the withholding tax base, the German Disbursing Agent will take into account (the following each derived from private capital investments) Accrued Interest paid to it and, according to a specific procedure, settle losses from the disposal of capital investments (other than stocks (*Aktien*) and similar financial instruments) from other transactions entered into through or with the same German Disbursing Agent. If, in this context, losses cannot be offset in full against positive income from capital investments, the German Disbursing Agent will upon request issue a certificate stating the losses in order for them to be offset or carried forward in the assessment procedure. The request must reach the German Disbursing Agent by 15 December of the current year and is irrevocable.

If, in the case of physical delivery, no cash payment is made on redemption, the German Disbursing Agent will request the holder of the Notes, Coupons, Talons or Receipts to pay the withholding tax amount to it unless the physical delivery qualifies as tax neutral exchange in which case no withholding tax applies. If the holder of the Notes, Coupons, Talons or Receipts does not pay the amount to be withheld to the German Disbursing Agent, the latter must notify the tax authorities of such failure which will then otherwise collect the tax not withheld.

In general, no withholding tax will be levied if the holder is an individual (i) whose Notes, Coupons, Talons or Receipts are held as private assets and are not allocated to income from leasing and letting of certain property, and (ii) who files an exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the interest income derived from the Notes, Coupons, Talons or Receipts together with the other income from capital investment does not exceed the exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the holder has submitted to the German Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the relevant local tax office.

If Notes, Coupons, Talons or Receipts are held as private assets and the income derived therefrom is not allocable to income from the leasing and letting of certain property, the personal income tax liability is, in principle, settled by the tax withheld. A tax assessment may be applied for in the cases outlined above. In assessment cases and in cases where the Notes, Coupons, Talons or Receipts are held as business assets or is allocable to other types of income, the withholding tax is credited against the income tax or corporate income tax liability of the holder, or is refunded (each subject to documentation requirements).

Withholding tax, as a rule, does not have to be deducted or withheld if the holder is a German branch of a German or non-German bank or of a German or non-German financial services institution or a German capital investment administration company (*Kapitalverwaltungsgesellschaft*).

Taxes on the capital gains from the disposal of Notes, Coupons, Talons or Receipts derived by a private law corporation that is subject to unlimited taxation in Germany and which is not exempt from corporate income tax, and that is neither a German branch of a German or non-German bank or of a German or non-German financial services institution nor a German capital investment company, are not collected in the form of withholding tax. In the case of certain specific kinds of corporations, this applies only if they provide evidence of falling under this group of taxpayers by a certificate from their competent tax office.

To the extent that the capital gains represent business income of a domestic business and the sole proprietor declares this to be so to the German Disbursing Agent on the officially required standard form, the German Disbursing Agent must not deduct an amount as withholding tax.

If the holder is member of a congregation that levies church tax, the holder may inform the German Disbursing Agent of such membership. In this case the German Disbursing Agent will, subject to the exemptions described above,

withhold church tax from the income from capital investment. If church tax is not levied by way of withholding, the income from capital investment needs to be included in the income tax return of the holder and church tax will be levied by way of assessment.

In this respect, it should be noted that income from capital investments that is paid after 31 December 2014 to a holder who is a member of a congregation that levies church tax, will be subject to withholding in respect of church tax, subject to the exemptions described above if the security is held in custody with a German Disbursing Agent. The German Disbursing Agent will be informed by the German Federal Tax Office (*Bundeszentralamt für Steuern*) about the membership of the holder in a congregation that levies church tax. Such holder may, however, elect to file a blocking notice (*Sperrvermerk*) with the German Federal Tax Office. In this case, the German Disbursing Agent holding the security in custody for the holder is not informed about the holder's membership in a congregation. However, the income from capital investment needs to be included in the income tax return of the holder and church tax will be levied by way of assessment.

***Non-residents***

*Taxation of interest income and capital gains*

Income from capital investments (including interest, Accrued Interest, and capital gains) is not subject to German taxation, unless (i) the Notes, Coupons, Talons or Receipts form part of the business assets of a permanent establishment (including a permanent representative) or a fixed base maintained in Germany by the holder; or (ii) the income otherwise constitutes German-source income creating German limited tax liability (such as income from the letting and leasing of certain property located in Germany). In cases (i) and (ii), a regime similar to that explained above under "*Tax Residents*" applies.

*Withholding tax*

Non-residents are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and Notes, Coupons, Talons or Receipts are held in a custodial account with a German Disbursing Agent, withholding tax is levied as explained above under "*Tax Residents*". The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

***Inheritance and gift tax***

No inheritance or gift taxes with respect to any security will arise under the laws of Germany, if, in the case of an inheritance *mortis causa*, neither the decedent nor the beneficiary, or, in the case of an endowment *intra vivos*, neither the donor nor the donee has its residence or habitual abode or, as the case may be, its place of management or seat in Germany and such security is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply for example to certain German citizens who previously maintained a residence in Germany. Otherwise, inheritance and gift tax may apply.

Inheritance or gift tax may apply inter alia – without any transfer – in intervals of 30 years, if the Notes, Coupons, Talons or Receipts are held by a qualifying family foundation (*Stiftung*) or a family association (*Verein*) having its statutory seat or place of management in Germany.

***Other taxes***

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes, Coupons, Talons or Receipts. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

**Tax treatment in Norway**

***General***

*The following is a general summary of certain Norwegian tax consequences resulting from the acquisition, holding and disposal of Notes, Coupons, Talons or Receipts. This discussion does not purport to be an exhaustive description of all possible tax considerations and consequences that may be relevant to a holder or prospective holder of Notes, Coupons, Talons or Receipts and does not purport to deal with the tax consequences applicable to all categories of investors,*

*some of which (such as banks, insurance companies or tax-exempt organizations) may inter alia be subject to special rules. In view of its general nature, this tax summary should be treated with corresponding caution. Noteholders or prospective noteholders are strongly advised to consult with their tax advisors with respect to the tax consequences of investing in the Notes, Coupons, Talons or Receipts in their particular circumstances. The information below is included for general information purposes only.*

*This summary is based on the laws currently in force and as applied on the date hereof in the Kingdom of Norway, which are subject to change, possibly with retroactive effect.*

*Please note that for the purposes of the summary below, a reference to a Norwegian or non-Norwegian holder of Notes, Coupons, Talons or Receipts refers to the tax residency and not the nationality of the holder of such.*

***Taxation of Interest***

*Norwegian holders of Notes, Coupons, Talons or Receipts*

Both corporate and individual holders of Notes, Coupons, Talons or Receipts who are residents of Norway are subject to Norwegian tax on interest received at a flat tax rate of 27%. Any interest received in another currency than Norwegian kroner is converted to Norwegian kroner when calculating the taxable interest income.

For Zero Coupon Notes offered and sold at a discount the discount should be regarded as interest for Norwegian tax purposes.

*Non-Norwegian holders of Notes, Coupons, Talons or Receipts*

In general, payments of interest on Notes, Coupons, Talons or Receipts issued to holders of Notes, Coupons, Talons or Receipts who are not resident in Norway for tax purposes are, under present Norwegian law, not subject to Norwegian tax. Payments to non-Norwegian holders of Notes, Coupons, Talons or Receipts may therefore be made without any withholding tax or deduction for any Norwegian taxes, duties or governmental charges.

If the Notes, Coupons, Talons or Receipts are held by an individual or by a company not resident in Norway, that is performing business activities in Norway, and the Notes, Coupons, Talons or Receipts are effectively connected with such business activities in Norway, interest received should be taxed in Norway similar as for Norwegian holders of Notes, Coupons, Talons or Receipts.

***Taxation of Capital Gains or Losses on Disposal of Notes, Coupons, Talons or Receipts***

*Norwegian holders of Notes, Coupons, Talons or Receipts*

Capital gains realized by Norwegian holders of Notes, Coupons, Talons or Receipts upon the sale, disposal or other redemption of Notes, Coupons, Talons or Receipts will be subject to Norwegian taxation at the rate of 27%. Losses will be tax deductible.

The taxable gain or deductible loss is calculated per Note, Coupon, Talon or Receipt and is equal to the sales price less the cost price, including costs incurred in relation to the acquisition or realization of the Note, Coupon, Talon or Receipt. Any gain received in another currency than Norwegian kroner when realizing Notes, Coupons, Talons or Receipts is converted to Norwegian kroner when calculating the taxable gain.

*Non-Norwegian holders of Notes, Coupons, Talons or Receipts*

Capital gains or profits realized on the sale, disposal or other redemption of Notes, Coupons, Talons or Receipts by non-Norwegian holders of Notes, Coupons, Talons or Receipts are not subject to Norwegian taxation.

For non-resident corporate or individual holders of Notes, Coupons, Talons or Receipts, a tax liability in Norway may arise if the non-resident corporation or individual is performing a business activity in Norway and the Notes, Coupons, Talons or Receipts are effectively connected with such business activities.

***Withholding Tax***

There is no Norwegian withholding tax on payments under the Notes, Coupons, Talons or Receipts (principal or interest) to Norwegian holder of Notes, i.e., no obligation for the issuer to withhold for or on account of Norwegian taxes. On interest payments Norwegian holders of Notes will be taxed as described above.

***Net Wealth Tax***

Corporate holders of Notes, Coupons, Talons or Receipts that are residents of Norway are exempt from net wealth tax.

Individual holders of Notes, Coupons, Talons or Receipts who are residents of Norway are liable to net wealth tax. The value of the Notes, Coupons, Talons or Receipts is included in the basis for the computation of net wealth tax imposed on Norwegian holders of Notes, Coupons, Talons or Receipts who are individuals. Currently, the marginal net wealth tax rate is 1% of the value assessed.

Non-resident holders of Notes, Coupons, Talons or Receipts are not liable to pay net wealth tax in Norway on the holding of Notes, Coupons, Talons or Receipts unless the holder is an individual and the Notes, Coupons, Talons or Receipts are effectively connected with a business that the individual holder of Notes, Coupons, Talons or Receipts carries out in Norway.

***Gift and Inheritance Taxes***

Norway has no gift or inheritance tax effective from 1 January 2014.

***Other Taxes and Duties***

There is no Norwegian registration fee, stamp duty or similar tax or duty payable by holders of Notes, Coupons, Talons or Receipts in respect of (i) the issue of Notes, Coupons, Talons or Receipts or (ii) the payment of interest or principal by the Issuer under the Notes, Coupons, Talons or Receipts.

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To the extent that there is any inconsistency between (a) any statement in this Second Supplemental Prospectus or any statement incorporated by reference into the Base Prospectus by this Second Supplemental Prospectus and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements under (a) above will prevail.