

SECOND SUPPLEMENT TO THE BASE PROSPECTUS DATED 24 MAY 2018



BNG Bank N.V. (formerly named N.V. Bank Nederlandse Gemeenten)

(Incorporated in the Netherlands with limited liability and having its statutory domicile in The Hague and registered in the trade register of the Chamber of Commerce under no. 27008387)

Euro 100,000,000,000

Debt issuance programme

BNG Bank N.V. (the “Issuer” or “BNG Bank”) may from time to time offer debt instruments (the “Notes”) pursuant to a programme of issuance established on 7 December 1993 (as amended) (the “Programme”). The sum of the aggregate principal amount of Notes outstanding at any time under the Programme will not exceed Euro 100,000,000,000 (or its equivalent in other currencies). 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*) and prepared in connection with the issue by the Issuer of Notes and is supplemental to, forms part of and should be read in conjunction with, the prospectus in relation to the Programme dated 24 May 2018 (the “Original Base Prospectus” as supplemented on 28 August 2018 (the Original Base Prospectus as supplemented on 28 August 2018 is referred to as the “Base Prospectus” in this Second Supplemental Prospectus). Terms defined in the Base Prospectus shall have the same meaning in this Second Supplemental Prospectus, unless specified otherwise.

The purpose of this Second Supplemental Prospectus is to:

- (A) incorporate by reference into the Base Prospectus the press release with respect to BNG Bank’s 2018 financial statements for the year ended 31 December 2018 (as announced on 18 March 2019 and made available at <https://www.bngbank.com/>) (the “Press Release”);
- (B) provide for the possibility of Notes being issued referencing Compounded Daily SONIA;
- (C) update a hyperlink contained in the Conditions.

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 to which is referred) and relevant implementing measures in the Netherlands, as a supplemental prospectus issued in compliance with the Prospectus Directive, Commission Regulation EC No. 809/2004 (as amended) (the “Prospectus Regulation”) 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.

Application may be made for Notes issued under the Programme to be admitted to trading on Euronext in Amsterdam (“Euronext Amsterdam”), the regulated market of Euronext Amsterdam N.V., the SIX Swiss Exchange and the regulated market of the Luxembourg Stock Exchange. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system.

The AFM has been requested by the Issuer to provide the competent authorities of Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Norway, Portugal, Spain, Sweden and the United Kingdom with a certificate of approval attesting that this Second Supplemental Prospectus has been drawn up in accordance with the Prospectus Directive.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any U.S. state securities laws and the Notes may not be offered, sold or delivered within the United States, or to or for the account or benefit of, U.S. persons (as defined in Regulation S ("Regulation S") under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws, or pursuant to an effective registration statement. The Notes may be offered and sold (a) in bearer form or registered form outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act and (b) in registered form within the United States to persons who are "qualified institutional buyers" ("QIBs") in reliance on Rule 144A ("Rule 144A") under the Securities Act and outside the United States to non-U.S. persons in reliance on Regulation S. Prospective purchasers who are QIBs are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of Notes and distribution of this Second Supplemental Prospectus together with the Base Prospectus, see "Plan of Distribution" and "Transfer Restrictions" in the Original Base Prospectus. The Notes in bearer form are subject to United States tax law requirements.

PROSPECTIVE INVESTORS SHOULD HAVE REGARD TO THE FACTORS DESCRIBED UNDER THE SECTION HEADED "RISK FACTORS" IN THE ORIGINAL BASE PROSPECTUS AS AMENDED BY WAY OF THIS SECOND SUPPLEMENTAL 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 website of the Issuer (www.bngbank.com), and in relation to any Tranche (as defined therein) of Notes, the Base Prospectus and this Second Supplemental Prospectus should be read and construed together with the relevant Final Terms.

The date of this Second Supplemental Prospectus is 19 March 2019.

IMPORTANT NOTICES

The Issuer has confirmed that the Base Prospectus and this Second Supplemental Prospectus contain all information regarding the Issuer, the Programme and (subject to being completed by any final terms (each the “Final Terms”) as referred to on page 102 of the Original Base Prospectus) the Notes to be issued under the Programme which is (in the context of the Programme and the issue of the Notes) material and such information is true and accurate in all respects and is not misleading. The Issuer accepts responsibility for the information contained in the Base Prospectus and this Second Supplemental Prospectus. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in the Base Prospectus and this Second Supplemental Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

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 the Issuer or any Dealer (as defined in the amended and restated dealer agreement relating to the Programme dated 24 May 2018 between the Issuer, RBC Europe Limited as arranger and the dealers party thereto) 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 under “Non-exempt Offers of Non-exempt Offer Notes in the European Economic Area” in the Original Base Prospectus.

Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained or incorporated by reference in the Base Prospectus, this Second Supplemental Prospectus or any Final Terms or as approved in writing for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Dealers.

Neither the Agents (as defined in the amended and restated issuing and paying agency agreement relating to the Programme dated 24 May 2018 between the Issuer and the other parties thereto), the Dealers nor any of their respective affiliates (excluding the Issuer) have authorised the whole or any part of this Second Supplemental Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Second Supplemental Prospectus. The delivery of the Base Prospectus, this Second Supplemental Prospectus or any Final Terms and the offering, sale or delivery of any Notes shall not in any circumstances create any implication that there has been no adverse change in the financial situation of the Issuer since the date hereof or, as the case may be, the date upon which the Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date hereof or, if later, the date upon which the Base Prospectus has been most recently amended or supplemented or that any other information

supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of the Base Prospectus, this Second Supplemental Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession the Base Prospectus or this Second Supplemental Prospectus comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of the Base Prospectus, this Second Supplemental Prospectus and other offering material relating to the Notes see "Plan of Distribution" in the Original Base Prospectus.

In particular, the Notes have not been and will not be registered under the Securities Act or any U.S. state securities laws. The Notes may not be offered, sold or delivered within the United States, or to, or for the account or benefit of U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws, or pursuant to an effective registration statement. Subject to certain exceptions, the Notes in bearer form are subject to United States tax law requirements. Notes in bearer form may generally not be offered, sold or delivered within the United States or to United States persons, as those terms are defined in the U.S. Internal Revenue Code of 1986, as amended, and by the U.S. Treasury Regulations thereunder.

The Notes may be offered and sold (a) in bearer form or registered form outside the United States to non-U.S. persons in reliance on Regulation S and (b) in registered form within the United States to QIBs in reliance on Rule 144A and outside the United States to non-U.S. persons in reliance on Regulation S. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of Notes, see "Plan of Distribution" and "Transfer Restrictions" in the Original Base Prospectus.

Neither the Programme nor the Notes have been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of any offering of the Notes or the accuracy of the Base Prospectus or this Second Supplemental Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Base Prospectus and this Second Supplemental Prospectus do not constitute an offer of, or an invitation to subscribe for or purchase, any Notes and should not be considered as a recommendation by the Issuer or the Dealers that any recipient of the Base Prospectus or this Second Supplemental Prospectus should subscribe for or purchase any Notes. Each recipient shall be taken to have made its own investigation and appraisal of the financial condition of the Issuer.

Only 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 after the date of this Second Supplemental Prospectus to withdraw their acceptances.

The Issuer has given undertakings in connection with the listing of the Notes on the regulated market of the Luxembourg Stock Exchange and Euronext Amsterdam to the effect that, so long as any Note remains outstanding and listed on the regulated market of the Luxembourg Stock Exchange or Euronext Amsterdam (as the case may be), in the event of any material adverse change in the financial condition of the Issuer which is not reflected in the Base Prospectus or this Second Supplemental Prospectus or if a significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus or this Second Supplemental Prospectus arises or is noticed, the Issuer will prepare a supplement to the Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes to be listed on the regulated market of the Luxembourg Stock Exchange or Euronext Amsterdam (as the case may be). If the terms of the Programme are modified or amended in a manner which would make the

Base Prospectus, as supplemented, inaccurate or misleading, a new Base Prospectus or a supplement to the Base Prospectus will be prepared.

CHANGES TO THE BASE PROSPECTUS

1. Summary

The Summary to the Programme included in the Base Prospectus is made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A to E (A.1 – E.4).

Following the inclusion of Compounded Daily SONIA in the Base Prospectus, the second paragraph under the section entitled “Issuer Specific Summary” in Element C.9 of the Summary to the Programme is updated as set out below:

“[Floating Rate Notes: The Notes are Floating Rate Notes. The Notes bear a floating rate of interest from [] of [LIBOR/EURIBOR/EONIA/SONIA/CMS London/CMS Brussels] [+/–][] per cent. [per annum] payable [annually/semi-annually/quarterly/monthly] in arrear on [] in each year, subject to adjustment in accordance with the [] Business Day Convention.]”.

Following the inclusion of Compounded Daily SONIA in the Base Prospectus, Element D.3 of the Summary to the Programme is updated by inclusion of the following bullet point under the section entitled “*Risks Related to the structure of a particular issue of Notes*”:

- The market continues to develop in relation to SONIA as a reference rate for Floating Rate Notes”.

2. Risk Factors

The Risk Factors section commencing on page 21 of the Original Base Prospectus is supplemented by inserting a new risk factor at the end of the sub-section entitled “*Risks related to the structure of a particular issue of Notes*” as set out below:

“The market continues to develop in relation to SONIA as a reference rate for Floating Rate Notes

On 29 November 2017, the Bank of England and the FCA announced that the Bank of England's Working Group on Sterling Risk-Free Rates had been mandated with implementing a broad-based transition to the SONIA over the following four years across sterling bond, loan and derivatives markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021. Investors should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Terms and Conditions as applicable to Notes referencing a SONIA rate that are issued under this Base Prospectus. Furthermore the Issuer may in the future issue Notes referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA referenced-Notes issued by it under the Programme. The development of Compounded Daily SONIA as an interest reference rate for the Eurobond markets, as well as continued development of SONIA-based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-referenced Notes issued under the Programme from time to time.

Furthermore, interest on Notes which reference Compounded Daily SONIA is only capable of being determined at the end of the relevant Observation Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference Compounded Daily SONIA to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to, for example, EURIBOR or LIBOR-based Notes, if Notes referencing Compounded Daily SONIA become due

and payable as a result of an event of default under Condition 7 (*Events of Default*), the rate of interest payable for the final Interest Period in respect of such Notes shall only be determined on the date on which the Notes become due and payable and shall not be reset thereafter.

In addition, the manner of adoption or application of SONIA reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing Compounded Daily SONIA.

Investors should consider these matters when making their investment decision with respect to any such relevant Notes.

Since SONIA is a relatively new market indices, Notes which reference Compounded Daily SONIA may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to SONIA, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Notes may be lower than those of later-issued indexed debt securities as a result. Further, if SONIA does not prove to be widely used in securities like Notes which reference Compounded Daily SONIA, the trading price of such Notes which reference Compounded Daily SONIA may be lower than those of Notes linked to indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that SONIA will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes which reference Compounded Daily SONIA. If the manner in which SONIA is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.”.

3. Documents Incorporated by Reference

On pages 56-57 of the Original Base Prospectus under “*Documents Incorporated by Reference*” reference should also be made to the following documents, which shall be deemed to be incorporated in, and to form part of, the Base Prospectus:

- The press release dated 18 March 2019 with respect to the Issuer’s 2018 financial statements for the year ended 31 December 2018.

The Press Release should be read in conjunction and construed together with the information set forth, or incorporated by reference, in the Base Prospectus, including the information under “*Operating and Financial Review*” of the Base Prospectus.

4. Amendments to Condition 5B.(3)

The introductory paragraph of Condition 5B.(3) on page 71 of the Original Base Prospectus is updated as follows:

“Where “*Screen Rate Determination*” is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined (the “**Rate of Interest**”) and the Reference Rate is specified in the applicable Final Terms as being a Reference Rate other than SONIA, the Rate of Interest for each Interest Period will (subject to Condition 5B.(5)), subject as provided below, be either:”.

In addition, the following wording shall be inserted at the end of Condition 5B.(3) on page 72 of the Original Base Prospectus as a new paragraph:

“Where “Screen Rate Determination” is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified in the applicable Final Terms as being SONIA, the Rate of Interest for each Interest Period will (subject to Condition 5B.(5)), subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin.

“**Compounded Daily SONIA**” will be, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the nearest one ten-thousandth of a percentage point, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Interest Period;

“**d_o**”, for any Interest Period, is the number of London Banking Days in the relevant Interest Period;

“**i**” is, for any Interest Period, a series of whole numbers from one to d_o, each representing the relevant London Banking Days in chronological order from, and including, the first London Banking Day in such Interest Period;

“**London Banking Day**” or “**LBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**n_i**” means, for any London Banking Day “**i**” means the number of calendar days from, and including, such London Banking Day “**i**” up to, but excluding, the following London Banking Day;

“**Observation Period**” means, in respect of an Interest Period, the period from, and including, the date which is “**p**” London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding the date which is “**p**” London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling “**p**” London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

“**p**” means the whole number specified as the Observation Look-back Period in the applicable Final Terms, such number representing a number of London Banking Days and which shall not be specified in the applicable Final Terms as less than five without the prior agreement of the Calculation Agent;

“**SONIA_i**”, in respect of any London Banking Day, “**i**”, is a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published by such authorised distributors (on the London Banking Day immediately following such London Banking Day); and

“**SONIA_{i-pLBD}**” means the SONIA rate for the London Banking Day falling “**p**” London Banking Days prior to the relevant London Banking Day “**i**”.

If, in respect of any London Banking Day in the relevant Observation Period, the Calculation Agent determines that the SONIA reference rate is not available or has not been published by the relevant authorised distributors, the Calculation Agent will determine such SONIA reference rate as being: (i) the Bank of England’s Bank Rate (the “**Bank Rate**”) prevailing at close of business on such day in the relevant Observation Period; plus (ii) the mean of the spread of the SONIA reference rate to

[Step-Down Interest]

[Step-Up Interest]”.

In the Form of Final Terms paragraph 13 (*Floating Rate Note Provisions*), item (viii) (*Screen Rate Determination*) of Part A (*Contractual Terms*) on page 110 of the Original Base Prospectus shall be deleted and replaced with the following:

- “ (viii) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [LIBOR/EURIBOR/EONIA/SONIA/CMS London/CMS Brussels]
Subject to provisions set out in Condition 5.B
 - Interest Determination Date(s): []
 - Relevant Screen Page: []
Subject to provisions set out in Condition 5.B
 - Observation Look-back Period: [[]/Not Applicable]
(In the case of SONIA: “p” London Banking Days, where “p” shall not be less than five without the prior agreement of the Calculation Agent)

[CMS London/CMS Brussels only]

- Designated Maturity: []
- Floating Rate Option: []
- Reset Date(s): []”.

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 in (a) above will prevail.

Save as disclosed in this Second Supplemental Prospectus, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

There are not and have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months before the date of this Second Supplemental Prospectus which may have, or have had in

the recent past, significant effects on the financial position or profitability of the Issuer and its subsidiaries taken as a whole.