

## SECOND SUPPLEMENT TO THE BASE PROSPECTUS dated 19 June 2014



# N.V. Bank Nederlandse Gemeenten

(Incorporated in the Netherlands with limited liability and having its statutory domicile in The Hague)

**Euro 90,000,000,000**

### **Debt issuance programme**

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N.V. Bank Nederlandse Gemeenten (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 90,000,000,000 (or its equivalent in other currencies). This second supplemental prospectus (this “**Second Supplemental Prospectus**”) is based on Article 5:23 of the Dutch Financial Supervision Act (*Wet op het Financieel Toezicht*, the “**DFSA**”) 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 19 June 2014 (the “**Original Base Prospectus**”) as supplemented on 25 August 2014 (the Original Base Prospectus as supplemented on 25 August 2014 is in this document referred to as the “**Base Prospectus**”). The purpose of this Second Supplemental Prospectus is to:

- provide for payments of principal and interest in currencies other than U.S. dollar for Notes which are held through The Depository Trust Company (“**DTC**”);
- in the case of Notes denominated in a currency other than Euro, provide an option for the Issuer to make payments in respect of any such Notes in a currency other than the currency in which they were originally denominated (the “**Original Currency**”) if the Original Currency is not available on the foreign exchange markets due to the imposition of exchange controls or due to the replacement or disuse of the Original Currency or other circumstances beyond the Issuer’s control;
- incorporate by reference into the Base Prospectus the press release with respect to BNG Bank’s 2014 financial statements (as announced on 9 March 2015 and made available on <https://www.bngbank.nl/Pages/Investors/Net-profit-EUR-126-million.aspx>) (the “**Press Release**”).

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, including Directive 2010/73/EU (the “**2010 PD Amending Directive**”)) 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**”, which term includes amendments thereto, including Commission Delegated Regulation (EU) No. 486/2012 and Commission Delegated Regulation (EU) No. 862/2012) 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 NYSE 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 Luxembourg *Commission de Surveillance du Secteur Financier* 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 United States 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. 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 the Second Supplemental Prospectus together with the Base Prospectus, see “*Plan of Distribution*” and “*Transfer Restrictions*” in the 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 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 Investors Site on the website of the Issuer (<http://www.bng.nl>), and in relation to any Tranche (as defined therein) of Notes, the Base Prospectus should be read and construed together with the relevant Final Terms.

The date of this Second Supplemental Prospectus is 9 March 2015.

## IMPORTANT NOTICES

The Issuer has confirmed that the Base Prospectus and this Second Supplemental Prospectus contain all information regarding the Issuer and (subject to being completed by any final terms (each the “**Final Terms**”) in the form set out on pages 96-133 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 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 “*Public Offers of Public Offer Notes in the European Economic Area*” in the 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 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 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 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 United States state securities laws, or pursuant to an effective registration statement. Bearer Notes are subject to United States tax law requirements. Subject to certain exceptions, Bearer Notes may 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. 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 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.

Neither the Base Prospectus, nor this Second Supplemental Prospectus constitutes an offer of, or an invitation to subscribe for or purchase, any Notes and neither the Base Prospectus, nor this Second Supplemental Prospectus should 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/or Euronext Amsterdam to the effect that, so long as any Note remains outstanding and listed on the regulated market of the Luxembourg Stock Exchange and/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 and/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.

## SUPPLEMENTAL INFORMATION

In Condition 9 of the section headed "*Terms and Conditions of the Notes*" on pages 84-88 of the Original Base Prospectus, the Original Base Prospectus is supplemented by the addition of the following paragraphs:

*Notes cleared through DTC denominated in a currency other than U.S. dollars*

(m.1) This Condition 9(m.1) applies to Notes in a Specified Currency other than U.S. dollars held through DTC only. Notwithstanding any other provision of these Conditions:

(i) Notes held through, and payments made through, DTC

Payments of principal and interest in respect of Notes held through DTC and represented by a Global Note Certificate which are denominated in a Specified Currency other than U.S. dollars will be made in U.S. dollars, unless the holder of such Notes elects to receive payments in respect of all or part of its Notes in the relevant Specified Currency in accordance with the procedures set out under item (ii) below. To the extent that holders of such Notes shall not have made such election in respect of any payment of principal or interest, the aggregate amount designated for all such holders of Notes in respect of such payment (the "**Conversion Amount**") will be converted by Deutsche Bank AG, London Branch in its capacity as exchange agent (the "**Exchange Agent**") into U.S. dollars and paid by wire transfer of same-day funds to, or to the order of, the registered holder for payment through DTC's settlement system to the relevant DTC participants. All costs of any such conversion will be deducted from such payments. Any such conversion will be based on the Exchange Agent's bid quotation, at or prior to 11.00 a.m., New York City time, on the second business day preceding the relevant payment date, for the purchase by the Exchange Agent of the Conversion Amount with U.S. dollars for settlement on such payment date. If such bid quotation is not available, the Exchange Agent will obtain a bid quotation from a leading foreign exchange bank in New York City selected by the Exchange Agent in its discretion for such purpose. If no bid quotation from a leading foreign exchange bank is available, payment of the Conversion Amount will be made in the Specified Currency to the account or accounts specified by DTC to the Exchange Agent. Until such account or accounts are so specified, the funds still held by the Exchange Agent will bear interest at the rate of interest quoted by the Exchange Agent for deposits with it on an overnight basis, to the extent that the Exchange Agent is reasonably able to reinvest such funds.

(ii) Notes held through DTC, and payments made outside, DTC

Any holder of Notes held through DTC and represented by a Global Note Certificate which are denominated in a Specified Currency other than U.S. dollars may elect to receive payment of principal and interest with respect to all or part of its Notes in the Specified Currency by causing DTC, through the relevant DTC participant, to notify the Exchange Agent of (i) such Noteholder's election to receive all or a portion of such payment in the Specified Currency and (ii) wire transfer instructions to an account in the Specified Currency. Such election in respect of any payment may be made by the Noteholder at the time and in the manner required by the DTC procedures applicable from time to time and will, in accordance with such procedures, be irrevocable. DTC's notification of such election, wire transfer instructions and the amount payable in the Specified Currency pursuant to this paragraph must be received by the Exchange Agent prior to 5.00 p.m. New York City time, on the fifth New York business day prior to the relevant Interest Payment Date in the case of interest and prior to 5.00 p.m., New York City time, on the eighth New York business day prior to the Maturity Date for the payment of principal. Any such payment in the Specified Currency will be made in accordance with the Agency Agreement by wire transfer of same-day funds to accounts denominated in the Specified Currency designated to the Exchange Agent by DTC. Paragraphs (g) and (h) of this Condition 9 do not apply to payments made pursuant to this item (ii).

*Alternative Currency*

(n) If so specified in the relevant Final Terms, whenever the Issuer is due to make any payment in a currency other than Euro in respect of any Notes and such currency (the "**Original Currency**") is not available on the foreign exchange markets due to the imposition of exchange controls or due to the Original Currency's replacement or disuse or other circumstances beyond the Issuer's control, the Issuer

will be entitled to satisfy its obligation in respect of that payment by making that payment in another currency (the "**Alternative Currency**"). The amount of the payment in the Alternative Currency and the applicable exchange rate will be determined by the Calculation Agent in its sole and absolute discretion, acting in good faith and in a commercially reasonable manner. Any payment made by the Issuer under such circumstances in the Alternative Currency shall constitute valid payment and shall not constitute an Event of Default under Condition 7.

On page 88 of the Original Base Prospectus, Condition 9(m) starting with "*For the purposes of the Terms and Conditions:*" will be renumbered to Condition 9(o).

In the section headed "*Form of final terms*" under item 10 on page 101 of the Original Base Prospectus, the following is included in the rightmost column:

*[(In case of non-U.S. dollar Notes held through DTC and represented by the Restricted Global Note Certificate): Payments of principal and interest in respect of Notes held through DTC and represented by the Restricted Global Note Certificate will be made in U.S. dollars unless the holder of such Notes elects to receive payments in the Specified Currency in accordance with the provisions set out in Condition 9(m.1).]*

*[Only for non-Euro denominated Notes where the country or area of which such Specified Currency is the lawful currency, has a credit rating which is lower than the credit rating of the Notes: The provisions of Condition 9(n) do not apply.][If Condition 9(n) is applicable: The Issuer may settle any payment due in respect of the Notes in a currency other than the Specified Currency on the due date for such payment in the circumstances described in Condition 9(n).]*

On page 45 of the Original Base Prospectus under "*Documents Incorporated by Reference*", reference should also be made to the Press Release as filed with the AFM which document shall be deemed to be incorporated in, and to form part of, the Base Prospectus:

- The press release dated 9 March 2015 with respect to BNG Bank's 2014 financial statements.

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 therein under "*Operating and Financial Review*".

The current wording (i) in "*Summary of the Programme*" under the subheading "Material/Significant Change" in element B.12 on page 8 of the Base Prospectus, (ii) in "*Summary of the Notes*" under the subheading "Material/Significant Change" in element B.12 on page 123 of the Base Prospectus and (iii) in paragraph 3 of "*General Information*" on page 214 of the Base Prospectus will be replaced by the following wording:

"There has been no material adverse change in the prospects of BNG Bank since 31 December 2013, nor has there been any significant change in the financial or trading position of BNG Bank or its subsidiaries, taken as a whole, which has occurred since 30 June 2014."

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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 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.