

Information Memorandum



A\$10,000,000,000 Medium Term Note Programme

Issuer

BNG Bank N.V.

(Incorporated in the Netherlands with limited liability and having its statutory domicile in The Hague and registered with the Trade Register (*Handelsregister*) of the Dutch Chamber of Commerce (*Kamer van Koophandel*) under file number 27008387)

Arranger and Manager

Commonwealth Bank of Australia

Dealers

Australia and New Zealand Banking Group Limited
Citigroup Global Markets Australia Pty Limited
Commonwealth Bank of Australia
Daiwa Capital Markets Europe Limited
Deutsche Bank AG, Sydney Branch
The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch
J.P. Morgan Securities plc
Nomura International plc
Royal Bank of Canada
The Toronto-Dominion Bank

The date of this Information Memorandum is 28 August 2018

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Important Notice

This Information Memorandum supersedes in its entirety the Information Memorandum issued by BNG Bank dated 4 December 2015.

Introduction

This Information Memorandum relates solely to a Medium Term Note Programme (“**Programme**”) for BNG Bank N.V. (formerly known as N.V. Bank Nederlandse Gemeenten) (“**BNG Bank**” or the “**Issuer**”) under which BNG Bank may issue Medium Term Notes (“**Notes**” or “**MTNs**”) up to a maximum aggregate amount outstanding at any time equal to the Programme Limit (as defined in the section entitled “Programme Summary” below).

Terms used in this Information Memorandum but not otherwise defined have the meaning given to them in the Terms and Conditions (as defined below).

Issuer’s responsibility

This Information Memorandum has been approved by BNG Bank which has provided, and accepts responsibility for, the information contained in it other than information provided by the Arranger and Manager, the Dealers and the Agents (each as defined in the section entitled “Programme Summary” below) in relation to their respective descriptions in the sections entitled “Programme Summary” and “Directory” below.

Documents incorporated by reference

This Information Memorandum should be read in conjunction with the information incorporated by reference together with any additional information distributed with this Information Memorandum and any further information, which is (in each case) authorised in writing by BNG Bank to supplement or update that information (collectively referred to as “**Additional Information**”). In this Information Memorandum, the Additional Information and this Information Memorandum are collectively referred to as “this Information Memorandum”.

The information in this Information Memorandum has been prepared and is correct in all material respects as of its respective Effective Date (as defined below). The delivery at any time after the Effective Date of this Information Memorandum or any part of this Information Memorandum does not imply that the information contained in this Information Memorandum or that part of this Information Memorandum is correct at any time subsequent to that Effective Date. Accordingly, neither the delivery of this Information Memorandum (or any part thereof) nor any offer or sale of MTNs implies or should be relied upon as a representation or warranty that:

- there has been no change since the relevant Effective Date in the affairs or financial condition of BNG Bank; or
- the information contained in this Information Memorandum or any part thereof remains correct at any time after its respective Effective Date.

BNG Bank is not under any obligation to any person to update this Information Memorandum at any time after an issue of MTNs.

The following documents are incorporated into this Information Memorandum by reference:

- the most recently published annual reports, including the latest audited financial statements of BNG Bank;
- the most recently published, unaudited financial statements of BNG Bank;

- the most recently published Ratings Report of Standard & Poor's Rating Services, Fitch Ratings Limited and Moody's Investors Service, Inc. as amended from time to time; and
- the Third Supplemental Deed (which sets out the terms and conditions of the MTNs ("**Terms and Conditions**")") dated 28 August 2018,

and such corporate information as BNG Bank may make available from time to time including:

- its Articles of Association; and
- any press releases published in relation to BNG Bank or to issues of MTNs.

Copies of these documents may be obtained (to the extent available) free of charge from the website of BNG Bank at <http://www.bngbank.nl>.

Any statement contained in this Information Memorandum or any of the documents incorporated by reference in, and forming part of, this Information Memorandum, is modified or superseded for the purposes of this Information Memorandum to the extent that any document subsequently incorporated by reference modifies or supersedes such statement. The documents incorporated by reference are paramount and this Information Memorandum is qualified in its entirety by them. In the case of any inconsistency and ambiguity between any information in this Information Memorandum and any provision, statement or information in the documents incorporated by reference, the provision, statement or information in the documents incorporated by reference will prevail.

In this Important Notice, "**Effective Date**" means, in relation to:

- this Information Memorandum, the date indicated on the front cover, or if the Information Memorandum has been amended or supplemented, the date indicated on the face of that amendment or supplement; and
- any other item of information which is incorporated by reference or otherwise to be read in conjunction with this Information Memorandum, the date indicated on the face of the item of information as being the date of its release, or the date to which it relates, as the case may be.

References to internet site addresses

Any internet site addresses provided in this Information Memorandum are for reference only and, unless expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Information Memorandum.

No offer and independent advice

This Information Memorandum is not intended to be and does not constitute an invitation or recommendation by either BNG Bank or the Arranger and Manager, any of the Dealers or any Agent (nor their respective shareholders, subsidiaries, related bodies corporate, officers, employees, representatives or advisers) (each a "**Relevant Party**") for applications or offers to subscribe for or buy any MTNs, nor an offer of MTNs for subscription or purchase. Accordingly, each recipient of this Information Memorandum and persons contemplating the purchase of MTNs should make (and will be deemed to have made) their own decision as to the sufficiency and relevance for their purpose of the information contained in this Information Memorandum, and their own independent investigation of the financial condition and affairs, and their own appraisal of the creditworthiness of BNG Bank, after taking all appropriate advice from qualified professional persons. Any investment decision should be based on that decision, investigation and appraisal referred to above and not on this Information Memorandum.

This Information Memorandum has been prepared for distribution to professional investors whose business includes buying and selling debt securities as principal or agent.

This Information Memorandum contains only summary information concerning BNG Bank and the MTNs. It is not a prospectus or other disclosure document for the purposes of the Corporations Act 2001 of Australia ("**Corporations Act**") or the Financial Markets Conduct Act 2013 of New Zealand ("**N.Z. FMC Act**"). Neither this Information Memorandum nor any other information supplied in connection with the Programme or any MTNs is intended to provide the basis of any credit or other evaluation in respect of the Issuer or the MTNs or should be considered as a recommendation or a statement of opinion (or a report of either of these things) by the Issuer, the Arranger and Manager, the Dealers or the Agents that any recipient of this Information Memorandum, other information supplied in connection with the Programme, any MTNs or any other financial statements should purchase any MTNs or any rights in respect of any MTNs.

Each recipient of this Information Memorandum and intending purchasers of MTNs should consult their own tax advisers concerning the application of any tax laws applicable to their particular situation.

Each recipient of this Information Memorandum and intending purchasers of MTNs will be taken to have undertaken such assessment, investigation, decision and consultation.

No Relevant Party undertakes for the benefit of any holder of a Note to review at any time the financial conditions or affairs of BNG Bank or any other person or entity or to advise any holder of a Note of any information coming to its attention with respect to BNG Bank or any other person.

No information contained in this Information Memorandum (other than information provided by the Arranger and Manager, the Dealers and the Agents as set out in the sections of the Information Memorandum entitled "Programme Summary" and "Directory" below) has been independently verified by the Arranger and Manager, any Dealer or an Agent. Accordingly, no representation, warranty or undertaking is made or may be implied and no responsibility or liability is accepted by the Arranger and Manager, any Dealer or an Agent to or for the origin, accuracy, completeness or distribution of, or any errors or omissions from this Information Memorandum whether arising out of negligence or otherwise (other than respectively for the abovementioned section or details, as the case may be, in this Information Memorandum).

Also, the Arranger and Manager and each Dealer acts solely through a separate division in the context of this Information Memorandum and the Programme, without reference to any of its or its subsidiaries' respective personnel or operations outside that division, and are therefore not to be taken to be aware of any matters within the knowledge of such personnel or operations relating to BNG Bank or the Programme.

No person is authorised to give any information or to make any representation which is not contained in this Information Memorandum and any information or representation not contained in this Information Memorandum must not be relied upon as having been authorised by or on behalf of the Issuer or any Relevant Party.

No Relevant Party stands behind or guarantees the success or the performance of BNG Bank, the repayment of principal on the MTNs, the payment of interest or any rate of return on the MTNs or any other payments on the MTNs or makes any statement (including but not limited to any representations) in respect of such matters or otherwise and such parties are in no way liable to any person in any such respect.

Banking legislation

The Issuer is not a bank which is authorised under the Banking Act 1959 of the Commonwealth of Australia ("**Banking Act**") or a registered bank under the Reserve Bank of New Zealand Act 1989 of New Zealand. The Issuer is not supervised by the Australian Prudential Regulation Authority ("**APRA**") or the Reserve Bank of New Zealand. The MTNs are not the obligations of either the Australian or New Zealand Governments and are not guaranteed by the Commonwealth of Australia or New Zealand. In particular, the depositor protection provisions of Division 2 of Part II of the Banking Act do not apply to the Issuer or the MTNs.

Distribution arrangements

Each purchase of MTNs is intended to be done in a manner which constitutes an excluded issue, offer or invitation (as defined in the Corporations Act) and which does not constitute a regulated offer (as defined in the N.Z. FMC Act). Accordingly, this Information Memorandum has not been, nor will be, lodged with or registered by the Australian Securities and Investments Commission or the New Zealand Registrar of Financial Service Providers or Financial Markets Authority.

The distribution and use of this Information Memorandum and the offering or sale of MTNs in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes must inform themselves about and observe all such restrictions. Nothing in this Information Memorandum is to be construed as authorising distribution of this Information Memorandum or the offer or sale of MTNs in any jurisdiction other than the Commonwealth of Australia or New Zealand, and neither BNG Bank nor any Relevant Party accepts any liability in that regard.

No person may (directly or indirectly) offer for subscription or purchase or issue invitations to subscribe for, buy or sell the MTNs, nor distribute this Information Memorandum in the Commonwealth of Australia, its territories or possessions or to any resident of Australia except in accordance with the Corporations Act and any other applicable laws and in compliance with the *Banking exemption No. 1 of 2018* dated 21 March 2018 promulgated by APRA.

MiFID II product governance / target market

The Terms Sheet in respect of any MTNs will include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the MTNs and which channels for distribution of the MTNs are appropriate. Any person subsequently offering, selling or recommending the MTNs (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the MTNs (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any MTNs is a manufacturer in respect of such MTNs, but otherwise neither the Arranger and Manager nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

PRIPs / IMPORTANT – EEA RETAIL INVESTORS

If the Terms Sheet in respect of any MTNs includes a legend entitled ‘Prohibition of Sales to EEA Retail Investors’, the MTNs are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) MiFID II or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, including by Directive 2010/73/EU, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the “**PRIPs Regulation**”) for offering or selling the MTNs or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the MTNs or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

The Arranger and Manager, each Dealer and the Agents discloses that it, or its respective subsidiaries, directors and employees:

- may have pecuniary or other interests in the MTNs; and
- will receive fees, brokerage and commissions and may act as principal in any dealing in the MTNs.

Unless otherwise indicated, all references hereinafter in this Information Memorandum to “**Australian Dollars**”, “**AUD**” or “**A\$**” are to the currency for the time being of the Commonwealth of Australia and references to “**NZD**”, “**NZ\$**” or “**New Zealand dollars**” are to the lawful currency for the time being of New Zealand.

Risks

Neither this Information Memorandum nor any other information supplied in connection with the Programme or the issue of any MTNs describes the risks of an investment in any MTNs. Prospective investors should consult their own professional, financial, legal and tax advisers about risks associated with an investment in any MTNs and the suitability of investing in the MTNs in light of their particular circumstances.

Programme Summary

The following is a brief summary of the Programme only and should be read in conjunction with the rest of this Information Memorandum, the applicable Conditions and any relevant Terms Sheet. A term used below but not otherwise defined has the meaning given to it in the Terms and Conditions. A reference to a "Terms Sheet" does not limit the provisions or features of this Programme which may be supplemented, amended, modified or replaced by a Terms Sheet in relation to a particular Tranche or Series of MTNs. If there is any inconsistency between the Programme Summary and the Terms and Conditions, the Terms and Conditions prevail.

Issuer:	BNG Bank N.V.
Arranger and Manager:	Commonwealth Bank of Australia
Dealers:	Australia and New Zealand Banking Group Limited Citigroup Global Markets Australia Pty Limited Commonwealth Bank of Australia Daiwa Capital Markets Europe Limited Deutsche Bank AG, Sydney Branch The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch J.P. Morgan Securities plc Nomura International plc Royal Bank of Canada The Toronto-Dominion Bank
	Contact details and any relevant particulars of the ABN and AFSL for each of the above named Arranger, Manager and Dealers are set out in the section entitled "Directory" below.
Programme Limit:	Principal at any time outstanding of A\$10,000,000,000 (or its equivalent in other currencies and as the Issuer may decide to increase that limit from time to time).
Programme Description:	A revolving Note Programme allowing for the issue of Notes in the form of, without limitation, Amortised Notes, Fixed Rate Notes, Floating Rate Notes, Indexed Notes, Structured Notes, Zero Coupon Notes or any combination of these.
Ratings:	AAA long term debt rating by Standard & Poor's Rating Services, AA+ long term debt rating by Fitch Ratings Limited and Aaa long term debt rating by Moody's Investors Service, Inc.
Status:	MTNs issued will constitute direct, unsecured and unsubordinated obligations of the Issuer and will rank <i>pari passu</i> amongst themselves and rank at least <i>pari passu</i> with all other unsecured and unsubordinated obligations assumed by the Issuer other than those mandatorily preferred by law.
Bail-in:	By subscribing for or otherwise acquiring the MTNs, the Noteholders shall be bound by the exercise of any Dutch Bail-in Power by the Resolution Authority. The exercise of such Dutch Bail-in Power may result in: <ul style="list-style-type: none">• the write-down, reduction or cancellation of all, or a portion of, the principal amount of, and/or interest on, the MTNs; and/or• the conversion of all, or a portion, of the principal amount of, or interest on, the MTNs into shares (or other instruments of

ownership) or other securities or other obligations of the Issuer or another person,

including, in all cases, by means of a variation to the Conditions or suspension of rights to give effect to the exercise by the Resolution Authority of such Dutch Bail-in Power.

No repayment of the principal amount of the MTNs or payment of interest thereon (to the extent of the portion thereof affected by the exercise of the Dutch Bail-in Power) shall become due and payable after the exercise of any Dutch Bail-in Power by the Resolution Authority, unless such repayment or payment would be permitted to be made by the Issuer under the laws and directives then applicable to the Issuer.

- Negative Pledge:** So long as any MTNs remain outstanding the Issuer will not secure any other loan or indebtedness represented by bonds, notes or any other publicly issued debt securities which are, or are capable of being, traded or listed on any stock exchange or over-the-counter or similar securities market without securing the MTNs equally and rateably with such other loan or indebtedness.
- Tenors:** As specified in the relevant Terms Sheet, but not less than one year.
- Denominations:** The minimum denomination of a Note will be A\$1,000 and multiples thereof (or in respect of New Zealand Notes, NZ\$1,000 and multiples thereof) in each case unless otherwise agreed between the Issuer and the relevant Dealer and subject always to applicable selling and transfer restrictions.
- Issuing Procedure:** MTNs may be issued to Dealers, at the discretion of the Issuer, via any of the following issuance mechanisms:
- competitive bidding;
 - private placements; and
 - unsolicited bids.
- Stamp Duty/Taxes:** All stamp duties and other costs payable on the issue of the MTNs will be for the account of the Issuer. Any stamp duties payable on the transfer of the MTNs are for the account of investors.
- Investors should obtain their own taxation advice regarding the taxation status of investing in MTNs.
- Events of Default:** An Event of Default occurs if one of the events specified in clause 11.3 of the Terms and Conditions occurs.
- Purchase Price:** MTNs may be issued at par or at a discount or premium to their principal amount as specified in the relevant Terms Sheet. The Purchase Price of MTNs on their issue date will be calculated according to the Reserve Bank of Australia's "Tender Stock Method" formula or in such other manner as may be agreed between the Issuer and the Dealers, in each case expressed to four decimal places.
- Interest Payments:** The methods of interest calculations and payments (if any) including interest rate and frequency of payments will vary according to the types of MTNs issued.

Interest Payment Dates: Payment of interest on interest bearing MTNs will be made on Interest Payment Dates to the registered owner(s) of MTNs at the time of closure of the Register.

The Register will be closed:

- (a) in the case of Australian Notes, at the close of business on the eighth calendar day prior to the Interest Payment Date; or
- (b) in the case of New Zealand Notes, at the close of business on the tenth calendar day before the Interest Payment Date,

to facilitate the payment of interest.

Principal Payment dates: Payment of principal will be made on the relevant Redemption Date(s) to the registered owner(s) of MTNs at the time of closure of the Register.

The Register will be closed:

- (a) in the case of Australian Notes, at the close of business on the eighth calendar day prior to the relevant Redemption Date(s), unless otherwise agreed between the Issuer and the Registrar; or
- (b) in the case of New Zealand Notes, at the close of business on the tenth calendar day before the relevant Redemption Date(s),

to facilitate the payment of principal.

Registrar: Computershare Investor Services Pty Limited (ABN 48 078 279 277) (for Australian Notes) (the "**Australian Registrar**") and Computershare Investor Services Limited (for New Zealand Notes) (the "**New Zealand Registrar**").

Register: The Register in respect of Australian Notes will be maintained in Sydney, New South Wales or Melbourne, Victoria.

The Register in respect of New Zealand Notes will be maintained in New Zealand.

Subject to the Terms and Conditions, no certificates in respect of the MTNs will be issued. Title will be evidenced by inscription in the Register.

Transfer: Transfer services will be available at the offices of the Registrar in each capital city in Australia.

MTNs are transferable by use of a transfer and acceptance form. A transfer takes effect on the transferee's name being entered in the relevant Register.

Settlement: Application will be made to Austraclear Limited ("**Austraclear**") to permit members to settle purchases and sales of Australian Notes through the Austraclear System in accordance with the rules and regulations of the Austraclear System.

Application will be made to permit members to settle purchases and sales of New Zealand Notes through the NZClear System in accordance with NZClear's rules and operating guidelines.

Interests in MTNs may also be traded on the settlement system operated by Euroclear Bank SA/NV ("**Euroclear**") or the settlement system

operated by Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) or any other clearing system outside Australia specified in the relevant Pricing Supplement (the Austraclear System, the NZClear System, Euroclear, Clearstream, Luxembourg and any other clearing system so specified, each a “**Clearing System**”).

Interests in MTNs traded in the Austraclear System may be held through Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in MTNs in Euroclear would be held in the Austraclear System by a nominee of Euroclear (currently HSBC Custody Nominees (Australia) Limited) while entitlements in respect of holdings of interests in MTNs in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of Clearstream, Luxembourg (currently J.P. Morgan Chase Bank, N.A. as custodian for Clearstream, Luxembourg). Similarly, in respect of MTNs traded in the NZClear System, entitlements in respect of holdings of interests in the MTNs in Euroclear would be held in the NZClear System by a nominee of Euroclear (currently HSBC Nominees (New Zealand) Limited) while entitlements in respect of holdings of interests in MTNs in Clearstream, Luxembourg would be held in the NZClear System by a nominee of Clearstream, Luxembourg (currently J.P. Morgan Chase Bank, N.A. as custodian for Clearstream, Luxembourg).

The rights of a holder of interests in an MTN held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominee and the rules and regulations of the Austraclear System. In addition, any transfer of interests in an MTN, which is held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the requirements for minimum consideration set out in the Terms and Conditions.

It is likely that, following any Event of Default, any resolution event or any resolution proceedings taken by a regulator in respect of the Issuer, the MTNs will be, or will be required to be, withdrawn or otherwise removed from any applicable clearing system.

The Issuer will not be responsible for the operation of the clearing arrangements which is a matter for the clearing institutions, their nominees, their participants and the investors.

- Terms and Conditions:** The terms and conditions applicable to each issue of MTNs will be as agreed and stated in the Terms and Conditions and the relevant Terms Sheet.
- Australian Note:** An MTN denominated in Australian dollars and specified as such in the relevant Terms Sheet.
- New Zealand Note:** An MTN denominated in New Zealand dollars and specified as such in the relevant Terms Sheet.
- Governing Law:** The MTNs are governed by the laws of New South Wales except that the Dutch Bail-in Power set out in clause 5.2 of the Terms and Conditions shall be governed by Dutch law.

Dutch Bail-in Power

Directive 2014/59/EU of the European Parliament and of the Council on establishing a framework for the recovery and resolution of credit institutions and investment firms (“**BRRD**”) came into effect in 2014. Its stated aim is to provide resolution authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers’ contributions to bank bail-outs and/or exposure to losses. The measures as set out in the BRRD (including the general bail-in tool) have been implemented into national law with effect from 26 November 2015.

The powers provided to resolution authorities under the BRRD broadly consist of three elements: (i) preparatory and preventative steps and plans to minimise risks preparation and prevention; (ii) in the event of incipient problems, powers to arrest an entity’s deteriorating situation at an early stage so as to avoid insolvency (early intervention) and (iii) if insolvency of an entity presents a concern as regards the general public interest, a clear means to reorganise or wind down the entity in an orderly fashion while preserving its critical functions and limiting to the maximum extent any exposure of taxpayers to losses in insolvency (resolution).

In addition, Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a single resolution mechanism and a single resolution fund (the “**SRM Regulation**”) has established a centralised power of resolution entrusted to a Single Resolution Board (the “**SRB**”) and to the national resolution authorities. The SRB acts as the competent resolution authority for credit institutions under direct supervision by the European Central Bank pursuant to the Single Supervisory Mechanism (established by Regulation 1024/2013 for the setting up of the single supervisory mechanism) instead of national authorities (in the Netherlands, the Dutch Central Bank) and as a consequence, the SRB will be the competent resolution authority for the Issuer.

Under the BRRD, Member States are required to ensure that capital instruments of credit institutions, such as the Issuer, fully absorb losses at the point of non-viability of the issuing institution. Accordingly, competent resolution authorities are required to write down (including, potentially, the reduction to zero) those instruments in full, or to convert them to equity capital, at the point of non-viability before any resolution action is taken (“**non-viability loss absorption**”). Such subsequent resolution action may be taken if the competent resolution authority considers that (A) the relevant institution is failing or likely to fail, (B) there is no reasonable prospect that alternative measures (including private sector measures) would prevent that failure within a reasonable timeframe, and (C) a resolution action is in the public interest, and involve the use of the following resolutions tools and measures:

- (i) sale of business – which enables the competent resolution authority to direct the sale of the institution or the whole or part of its business on commercial terms;
- (ii) bridge institution – which enables the competent resolution authority to transfer all or part of the business of the institution to a ‘bridge institution’ (an entity created for this purpose that is wholly or partially in public control);
- (iii) asset separation – which enables the competent resolution authority to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used in combination with one of the other resolution tools only); and
- (iv) bail-in – which gives resolution authorities the power to write down certain claims (including the reduction to zero), which would include claims in respect of securities such as the MTNs, of unsecured creditors of the failing institution and/or to convert certain unsecured debt claims, which would include securities such as the MTNs, to equity (the “**general bail-in tool**”) (as opposed to the bail-in tool applicable to certain capital instruments as described above), with such equity also being subject to any future application of the general bail-in tool.

Any ordinary shares or other instruments of ownership issued to persons following the conversion of capital instruments and/or unsecured pursuant to non-viability loss absorption, respectively the general bail-in tool, may also be subject to any application of the general bail-in tool or other powers under the BRRD.

Furthermore, the BRRD confers powers on competent resolution authorities to cancel debt instruments (such as the MTNs) and to amend or alter the maturity of and interest payable (including the date on which interest becomes payable) under these debt instruments and other eligible liabilities of the Issuer, including by temporarily suspending payment, in respect of institutions that meet the applicable conditions for resolution, as well as a power to suspend the enforcement of certain termination rights (including by way of acceleration of an obligation) as a result of the exercise of resolutions and powers. The terms of the MTNs may be varied as necessary to give effect to the exercise of by a competent resolution authority of its write down and conversion powers and such variations will be binding on the holder of an MTN.

These powers under the BRRD are in addition to supervision, bail-in and expropriation powers of the relevant authority provided under the Dutch resolution regime under the Dutch Financial Supervision Act and the Dutch Intervention Act and any amendments thereto (including any amendments to be made by the BRRD).

Holders of the MTNs may have only very limited rights to challenge and/or seek a suspension of any decision of any competent resolution authority to exercise its resolution powers (including the bail-in tool) or to have that decision reviewed by a judicial or administrative process or otherwise. The MTNs may be subject to Dutch bail-in powers that are proposed to be implemented under existing or future legislative and regulatory proposals, including the BRRD, and are subject to the Dutch resolution regime as it currently exists.

In the event the MTNs issued before the implementation date of BRRD undergo a material change (as defined in the Regulatory Technical Standards published by the European Banking Authority), the MTNs will be subject to the provisions of the BRRD, including Dutch bail-in powers.

Bail-in risk

The MTNs may be subject to Dutch bail-in powers that are proposed to be implemented under existing or future legislative and regulatory proposals, including the BRRD, and are subject to the Dutch resolution regime as it currently exists.

To the extent the Dutch bail-in power is exercised pursuant to the BRRD, the Dutch Financial Supervision Act (*Wet financieel toezicht*), or otherwise, it is not expected that any securities issued upon conversion of MTNs would meet the listing requirements of any securities exchange, and it is expected that any outstanding listed securities of the Issuer would be delisted from the securities exchanges on which they are listed. Any securities issued to a holder of MTNs on conversion of those MTNs (whether debt or equity) are likely not to be listed for at least an extended period of time, if at all, or may be on the verge of being delisted by the relevant exchange. Additionally, there may be limited, if any, disclosure with respect to the business, operations or financial statements of the issuer of any securities issued upon conversion of MTNs, or the disclosure with respect to any existing issuer may not be current to reflect changes in the business, operations or financial statements as a result of the exercise of the Dutch bail-in power. As a result, there may not be an active market for any securities held by a holder of MTNs after the exercise of the Dutch bail-in power.

The Issuer is unable to predict what effects, if any, the BRRD and SRM may have on the financial system generally, the Issuer's counterparties, or on the Issuer, any of its consolidated subsidiaries, its operations and/or its financial position.

A potential investor in MTNs should consider the risk that they may lose all of their investment, including the principal amount or outstanding amount due plus any accrued interest, if the Dutch bail-in power is acted upon or that any remaining outstanding MTNs or securities into which the MTNs are converted, including our ordinary shares, may be of little value at the time of conversion and thereafter.

Corporate Profile

Incorporation and Duration

The Issuer was incorporated as a *naamloze vennootschap* (a public company) with limited liability under the laws of the Netherlands on 23 December 1914 and is operating under the laws of the Netherlands. The duration of the Issuer is unlimited.

The Issuer is registered in the Commercial Register of the Delft – The Hague Chamber of Commerce and Industry under the number 270 083 87.

On 27 August 2018, the Issuer changed its name from “N.V. Nederlandse Gemeenten” to “BNG Bank N.V.”.

Registered Office

The Issuer’s registered office is at *Koninginnegracht 2, 2514 AA The Hague, the Netherlands*. The Issuer has no branch offices.

Purpose

BNG Bank’s activities continue to be based on its unique character as the Dutch public sector financial agency. As the shareholders are public authorities, BNG Bank is positioned as part of the public sector. BNG Bank serves exclusively as a specialised bank for local, regional, functional public authorities and for public sector institutions such as utilities, housing, healthcare, welfare, educational and recreational institutions by providing made-to-measure banking services. BNG Bank is also active in the public-private partnerships sector.

The main business activities of BNG Bank include the granting of credit, making of payments and the processing of flows between the central government and the public entities listed below.

Pursuant to Article 2 of its Articles of Association, the object of the Issuer is to conduct the business of banker on behalf of public authorities (as described below). Accordingly, the Issuer may engage, *inter alia*, in taking in and lending moneys, granting credits in other ways, providing guarantees, arranging the flow of payments, conducting foreign exchange transactions, acting as adviser and broker in the issue of and trade in securities, and keeping, managing and administering securities and other assets for third parties, as well as to incorporate and to participate in other enterprises and/or legal persons, whose object is connected with or conducive to any of the foregoing.

The Issuer is empowered to perform all acts which may directly or indirectly be conducive to its object.

The term “**public authorities**” as referred to above means:

- (a) municipalities and other legal persons in the Netherlands under public law as referred to in article 1, paragraphs 1 and 2, of Book 2 of the Dutch Civil Code;
- (b) the European Communities and other bodies possessing legal personality to which part of the function of the European Communities has been entrusted pursuant to the treaties establishing the European Communities;
- (c) Member States of the European Communities and other bodies possessing legal personality to which part of the administrative function of such a Member State has been entrusted pursuant to the law of that Member State; and/or
- (d) legal persons under private law;
 - (i) half or more of whose managing directors are appointed directly or indirectly by one or more of the bodies referred to at (a), (b) and (c) above;

- (ii) half or more of whose share capital is provided directly or indirectly by one or more of the bodies referred to at (a), (b) and (c) above; and/or half or more of the income side of whose operating budget is provided or secured directly or indirectly by one or more of the bodies referred to in (a), (b) and (c) above on the basis of a scheme, bye-law or law adopted by one or more of such bodies;
- (iii) whose operating budget is adopted or approved directly or indirectly by one or more of the bodies referred to at (a), (b) and (c) above on the basis of a scheme, bye-law or law adopted by one or more of such bodies;
- (iv) whose obligations towards the Issuer are guaranteed directly or indirectly by one or more of the bodies referred to at (a), (b) and (c) above or will be guaranteed pursuant to a scheme, bye-law or law adopted by one or more of such bodies, for which purpose obligations include non-guaranteed obligations resulting from prefinancing or other financing which, after novation, will create obligations that will be guaranteed by one or more of such bodies pursuant to a scheme, bye-law or law adopted by one or more of such bodies; and/or
- (v) who execute a part of the governmental function pursuant to a scheme, bye-law or law adapted by one or more of the bodies referred to at (a), (b) and (c) above.

Share Capital and Relationship with the Dutch Government

BNG Bank is a statutory limited company under Dutch law (*structuurvennootschap*). Half of BNG Bank's share capital is held by the State of the Netherlands. The other fifty per cent is mainly held by municipalities and furthermore by eleven of the twelve provinces as well as one district water authority (*waterschap*) in the Netherlands.

For a full description of BNG Bank's capitalisation see the Capitalisation table of the Issuer stated in its most recently published annual report.

Only the State of the Netherlands, provinces, municipalities, district water authorities and other public bodies may be shareholders of the Issuer.

Plan of Distribution

*Subject to the terms and on the conditions contained in the MTN Programme Agreement dated 14 September 1999, as amended and restated on 6 March 2002, 13 April 2007 and 6 September 2007, between the Issuer, the Arranger and Manager and the Dealers specified therein (“**MTN Programme Agreement**”), MTNs will be offered by the Issuer through Dealers. The Issuer has the sole right to accept any offer to purchase MTNs and may reject that offer in whole or (subject to the terms of the offer) in part. Each Dealer has the right to reject any offer to purchase MTNs made to it in whole or (subject to the terms of such offer) in part. The Issuer is entitled to appoint one or more financial institutions as a Dealer for a particular tranche of MTNs or the Programme generally. At the time of any appointment, each such financial institution will be required to represent and agree to the selling restrictions applicable at that time.*

None of the Issuer, the Arranger and Manager or any Dealer or Agent has represented that any MTNs may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or in accordance with any available exemption, or assumes any responsibility for facilitating that sale.

General

In relation to the issue of the MTNs the Issuer and the Dealers will comply with all applicable laws, regulations and market or other regulatory guidelines as are in force from time to time which are relevant in the context of the issue of the MTNs including, without limitation, in the case of the Issuer, any relevant maturity requirements and minimum denomination requirements applicable to such issue, and the Issuer will submit (or procure the submission on its behalf of) such reports or information as may from time to time be required for compliance with such laws, regulations and market or other regulatory guidelines.

United States of America

- (a) Each Dealer understands that the MTNs have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act.
- (b) Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the MTN Programme Agreement, it will offer and sell MTNs:
 - (A) as part of their distribution at any time; or
 - (B) otherwise until 40 days after the completion of distribution of the MTNs comprising the relevant Tranche (as determined and notified to such Dealer by the Manager following notification by each Dealer to the Manager of completion of distribution of the MTNs purchased by or through it),

only in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, neither such Dealer, its affiliates (if any) nor any person acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the MTNs, and each Dealer, its affiliates (if any) and any person acting on its behalf have complied and will comply with the offering restrictions requirements of Regulation S. Each Dealer agrees that, at or prior to confirmation of sale of MTNs, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases MTNs from it or through it during the restricted period a confirmation or notice to substantially the following effect:

“The Notes covered hereby have not been registered under the United States Securities Act of 1933 as amended (the “**Securities Act**”) and may not be offered and sold within the United States or to or for the account or benefit of U.S. persons:

- (i) as part of their distribution at any time; or
- (ii) otherwise until 40 days after the completion of the distribution of the series of Notes of which such Notes are a part, as determined and certified by the Dealers, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

Terms used in the preceding paragraphs have the meanings given to them by Regulation S under the Securities Act.

United Kingdom

In relation to each issue of MTNs, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) **investment advertisements:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”)) received by it in connection with the issue or sale of any MTNs in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) **general compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any MTNs in, from or otherwise involving the United Kingdom.

European Economic Area

Unless the Terms Sheet in respect of any MTNs specifies the ‘Prohibition of Sales to EEA Retail Investors’ as ‘Not Applicable’, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any MTNs which are the subject of the offering contemplated by this Information Memorandum as completed by the Terms Sheet in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the MTNs to be offered so as to enable an investor decide to purchase or subscribe for the MTNs.

Without prejudice to the foregoing, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), that with effect from and including the date on which the Prospectus

Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of MTNs to the public in that Relevant Member State where the same shall require 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.

If the Terms Sheet in respect of any MTNs specifies ‘Prohibition of Sales to EEA Retail Investors’ as ‘Not Applicable’, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, in relation to each Relevant Member State that with effect from and including the Relevant Implementation Date it has not made and will not make an offer of MTNs to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of MTNs to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of MTNs referred to in (a) to (c) (inclusive) above shall require 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.

For the purposes of this provision, the expression an “**offer of MTNs to the public**” in relation to any MTNs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the MTNs to be offered so as to enable an investor to decide to purchase or subscribe the MTNs, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

Australia

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not:

- (a) make any offer or invitation in relation to the MTNs in Australia unless:
 - (A) the consideration (but disregarding any part of the consideration paid or to be paid out of money lent by the person offering the MTNs or an associate of that person) payable is a minimum amount of A\$500,000 and the offer or invitation otherwise does not require disclosure under chapter 6D of the Corporations Act; and
 - (B) it complies with Banking exemption No. 1 of 2018 dated 21 March 2018 promulgated by APRA as if it applied to the Issuer *mutatis mutandis* (and which requires all offers and transfers to be for a consideration of at least A\$500,000); or
- (b) make any offer or invitation in relation to MTNs to be transferred to or from Australia unless:
 - (A) the consideration payable (but disregarding any part of the consideration paid or to be paid out of money lent by the person offering the MTNs or an associate of that person) at the time of transfer is a minimum amount of A\$500,000 and the offer or invitation otherwise does not require disclosure under chapter 6D of the Corporations Act; and
 - (B) it complies with Banking exemption No. 1 of 2018 dated 21 March 2018 promulgated by APRA as if it applied to the Issuer *mutatis mutandis* (and which requires all offers and transfers to be for a consideration of at least A\$500,000); or

- (c) circulate the Information Memorandum or issue a prospectus or other offering materials relating to the MTNs which in either case would require it to be lodged or registered under Division 2 of Part 7.12 of the Corporations Act.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, it will not make an offer of MTNs to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive (as defined above under the paragraph with the heading “European Economic Area” above) unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), as amended (the “FSA”) or (ii) standard exemption wording is disclosed as required by Article 5:20(5) of the FSA, provided that no such offer of MTNs shall require 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.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act (*Wet inzake Spaarbewijzen*) of 21 May 1985 (as amended) (“**Savings Certificates Act**”). No such mediation is required in respect of (a) the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (b) the transfer and acceptance of Zero Coupon Notes within, from or into the Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in the Zero Coupon Note in global form) of any particular Series or Tranche are issued outside the Netherlands and are not distributed into the Netherlands in the course of their initial distribution or immediately thereafter. In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with and, in addition thereto, if such Zero Coupon Notes in definitive form do not qualify as commercial paper traded between professional borrowers and lenders within the meaning of the agreement of 2 February 1987, attached to the Royal Decree of 11 March 1987, (*Staatscourant* 129) (as amended), each transfer and acceptance should be recorded in a transaction note, including the name and address of each party to the transaction, the nature of the transaction and the details and serial numbers of such Zero Coupon Notes. For purposes of this paragraph “Zero Coupon Notes” means MTNs that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

New Zealand

- (a) No action has been taken to permit the MTNs to be offered or sold to any retail investor, or otherwise under any regulated offer, in terms of the N.Z. FMC Act. In particular, no product disclosure statement under that Act has been prepared or lodged in New Zealand in relation to the MTNs.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell any MTNs in New Zealand, other than to wholesale investors within the meaning of clause 3(2)(a), (c) or (d) or (in relation to New Zealand Notes) clause 3(3)(b) of Schedule 1 to the N.Z. FMC Act, which includes:

- (i) any person who is an “investment business”, “large”, or a “government agency”, in each case as defined in Schedule 1 to that Act, provided (for the avoidance of doubt) that MTNs may not be issued to any “eligible investor” (as defined in clause 41 of Schedule 1 to that Act) or to any person who, under clause 3(2)(b) of Schedule 1 to that Act, meets the investment activity criteria specified in clause 38 of that Schedule; or

- (ii) in relation to New Zealand Notes, a person who is required to pay a minimum subscription price of at least NZ\$750,000 for those New Zealand Notes (disregarding any amount lent by the offeror, the Issuer or any associated person of the offeror or the Issuer) before the allotment of those New Zealand Notes.
- (b) In addition, each Holder is deemed to represent and agree that it will not distribute the Information Memorandum, any Terms Sheet or any other advertisement in relation to any offer of the MTNs in New Zealand other than to such persons as referred to in paragraph (a) above.

Taxation

Australian Taxation

The following is a summary of the Australian taxation treatment, at the date of this Information Memorandum, of the MTNs to be issued by the Issuer under the Programme and certain other matters. It is a general guide and should be treated with appropriate caution. Prospective holders of MTNs who are in any doubt as to their tax position should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.

1. Interest withholding tax

So long as the Issuer continues to be a non-resident of Australia and the MTNs issued by it are not attributable to a permanent establishment of the Issuer in Australia, payments of principal and interest made under MTNs issued by it should not be subject to Australian interest withholding tax.

2. Other tax matters

Under Australian laws as presently in effect:

- (a) *death duties* - no MTNs will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- (b) *stamp duty and other taxes* - no *ad valorem* stamp, issue, registration or similar taxes are payable in any Australian State or Territory on the issue or transfer of any MTNs;
- (c) *other withholding taxes on payments in respect of MTNs* - so long as the Issuer continues to be a non-resident of Australia and does not carry on business at or through a permanent establishment in Australia, the tax file number requirements of Part VA of the Income Tax Assessment Act 1936 of Australia and section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia ("**Taxation Administration Act**") should not apply to the Issuer;
- (d) *supply withholding tax* - payments in respect of the MTNs can be made free and clear of the "supply withholding tax" imposed under section 12-190 of Schedule 1 to the Taxation Administration Act; and
- (e) *goods and services tax ("GST")* - neither the issue nor receipt of the MTNs will give rise to a liability for GST in Australia on the basis that the supply of MTNs will comprise either an input taxed financial supply or (in the case of an offshore subscriber that is a non-resident) a supply which is outside the scope of the GST law. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the MTNs, would give rise to any GST liability in Australia.

Dutch Taxation

The following is a general summary of the Issuer's understanding of current law and practice in the Netherlands. They relate only to the position of person who are the absolute beneficial owners of the MTNs (the "Noteholders"). It does not purport to be a complete summary of Dutch tax law and practice currently applicable and does not constitute legal or tax advice. All prospective investors in the MTNs are advised to consult their own tax advisers with respect to the tax consequences under the tax laws of the country in which they are resident, of the purchase, ownership or disposition of the MTNs or any interest therein. It should be noted that the tax laws of the Netherlands may be amended with retroactive effect.

1. Withholding tax

All payments of interest and principal made by the Issuer under the MTNs may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, provided that the MTNs will not be issued under such terms and conditions that the MTNs actually function as equity of the Issuer within the meaning of section 10 subsection 1 under d of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

2. Taxes on Income and Capital Gains

A Noteholder who derives income from the MTNs or who realises a gain from the disposal or redemption of the MTNs will not be subject to Dutch taxation on such income or gain, provided that:

- (a) the Noteholder is neither resident nor deemed to be resident of the Netherlands for the purpose of the relevant Dutch tax law provisions;
- (b) the Noteholder does not have an enterprise or deemed enterprise (as defined in Dutch tax law) or an interest in an enterprise or deemed enterprise (as defined in Dutch tax law) that is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands and to which enterprise or part of that enterprise, as the case may be, the MTNs are attributable;
- (c) the Noteholder is not entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands, other than by way of securities and to which enterprise the MTNs are attributable;
- (d) the Noteholder does not have a substantial interest (*aanmerkelijk belang*) or a deemed substantial interest in the Issuer as defined in the Dutch Income Tax Act 2001 (*Wet op de inkomstenbelasting 2001*); and
- (e) if the Noteholder is an individual, the Noteholder does not derive benefits from the MTNs that are taxable as benefits from miscellaneous activities in the Netherlands (*resultaat uit overige werkzaamheden in Nederland*) as defined in the Dutch Income Tax Act 2001, which include, but are not limited to, activities in respect of the MTNs which are beyond the scope of "regular active asset management" (*normaal actief vermogensbeheer*) or benefits which are derived from the holding, whether directly or indirectly, of (a combination of) shares, debt claims or other rights which form a "lucrative interest" (*lucratief belang*). A lucrative interest is an interest which the holder thereof has acquired under such circumstances that benefits arising from this lucrative interest are intended to be a remuneration for work or services performed by such holder (or a person related to such holder) in the Netherlands, whether within or outside an employment relationship, where such lucrative interest provides the holder thereof, economically, with certain benefits that have a relationship to the relevant work or services.

Under Dutch tax law, a Noteholder will not be deemed resident, domiciled or carrying on a business in the Netherlands by reason only of its holding of the MTNs or the performance by the Issuer of its obligations under the MTNs.

3. Gift and Inheritance Taxes

No gift or inheritance taxes will arise in the Netherlands with respect to the acquisition of the MTNs by way of gift by, or on the death of, a Noteholder, unless:

- (a) the Noteholder is a resident or deemed to be resident of the Netherlands for the purpose of the relevant Dutch tax law provisions; or
- (b) in the case of a gift of the MTNs by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident of the Netherlands.

For the purpose of Dutch gift and inheritance tax, an individual who has the Dutch nationality will be deemed to be a resident of the Netherlands at the date of the gift or the date of his death, if he has been a resident of the Netherlands at any time during the ten years preceding the date of the gift or the date of his death.

For the purposes of Dutch gift tax, an individual who does not have the Dutch nationality will be deemed to be a resident of the Netherlands at the date of the gift, if he has been a resident of the Netherlands at any time during the twelve months preceding the date of the gift.

4. Value Added Tax

No Value Added Tax (*Omzetbelasting*) will arise in the Netherlands in respect of any payment in consideration for the issue of the MTNs or with respect to any payment of principal or interest by the Issuer on the MTNs.

5. Other Taxes and Duties

No registration tax, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable in the Netherlands in respect of or in connection with the issue of the MTNs and the obligations thereunder.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as “**FATCA**”, a “foreign financial institution” may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting or related requirements.

A number of jurisdictions (including the Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the MTNs, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the MTNs, are uncertain and may be subject to change. On the basis of the IGA the United States and the Netherlands entered into on 18 December 2013, the Issuer is a non-reporting foreign financial institution.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the MTNs, such withholding would not apply prior to 1 January 2019 and MTNs issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be

“grandfathered” for purposes of FATCA withholding unless materially modified after such date and/or characterised as equity for U.S. tax purposes. However, if additional notes that are not distinguishable from previously issued MTNs are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all such MTNs, including those MTNs offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Holders of MTNs should consult their own tax advisers regarding how these rules may apply to their investment in the MTNs. In the event that any withholding would be required pursuant to FATCA or an IGA with respect to payments on the MTNs, no person will be required to pay additional amounts as a result of the withholding.

Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“**CRS**”) requires certain financial institutions to report information regarding certain accounts (which may include the MTNs) to their local tax authority and follow related due diligence procedures. Holders of MTNs may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act to give effect to the CRS.

As of 1 January 2016, CRS and EU Council Directive 2014/107/EU have been implemented in Netherlands law. As a result, the Issuer is required to comply with identification obligations as of 2016 and with reporting obligations as of 2017 on the records of 2016. Holders of MTNs may be required to provide additional information to the Issuer to enable it to satisfy its identification obligations under the Netherlands implementation of the CRS. Prospective holders of MTNs are advised to seek their own professional advice in relation to the CRS and EU Council Directive 2014/107/EU.

The proposed financial transactions tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission's Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the MTNs (including secondary market transactions) in certain circumstances. The issuance and subscription of MTNs should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the MTNs where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

Prospective holders of the MTNs are advised to seek their own professional advice in relation to the FTT.

Directory

Issuer

BNG Bank N.V.

Koninginnegracht 2,
2514 AA The Hague
The Netherlands

Telephone: + 31 70 3750 750
Facsimile: + 31 70 3651 596
Email: capital.markets@bngbank.nl
Attention: Head of International Capital Markets

Arranger and Manager

Commonwealth Bank of Australia

(ABN 48 123 123 124; AFSL 234945)

Level 21
Darling Park Tower 1
201 Sussex Street
Sydney NSW 2000
Australia

Telephone: + 61 2 9118 1219
Facsimile: + 61 2 9118 1002
Attention: Head of Debt Capital Markets

Dealers

Australia and New Zealand Banking Group Limited

(ABN11 005 357 522; AFSL 234527)

Level 5
ANZ Tower
242 Pitt Street
Sydney NSW 2000
Australia

Telephone: + 61 2 8037 0200
Facsimile: + 61 2 8937 7115
Attention: Head of Bond Syndicate, Global
Markets

Commonwealth Bank of Australia

(ABN 48 123 123 124; AFSL 234945)

Level 21
Darling Park Tower 1
201 Sussex Street
Sydney NSW 2000
Australia

Telephone: + 61 2 9118 1219
Facsimile: + 61 2 9118 1002
Attention: Head of Debt Capital Markets

Citigroup Global Markets Australia Pty Limited

(ABN 64 003 114 832; AFSL 240992)

Level 23, Citigroup Centre
2 Park Street
Sydney NSW 2000
Australia

Telephone: + 61 2 8225 6033
Facsimile: + 61 2 8090 9755
Attention: Head of Capital Markets Origination

Daiwa Capital Markets Europe Limited

5 King William Street
London EC4N 7AX
United Kingdom

Telephone: + 44 207 7597 8000
Facsimile: + 44 207 7597 8644
Attention: Manager, Transaction Management

Deutsche Bank AG, Sydney Branch
(ABN 13 064 165 162; AFSL 238153)

Level 16
Deutsche Bank Place
Corner of Hunter & Phillip Streets
Sydney NSW 2000
Australia

Telephone: + 61 2 8258 2657
Facsimile: + 61 2 8258 2220
Attention: Head of Debt Capital Markets

J.P. Morgan Securities plc

25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Telephone: + 44 20 3493 1413
Attention: Euro Medium Term Note Desk

Royal Bank of Canada
(ABN 86 076 940 880; AFSL 246521)

Level 47
2 Park Street
Sydney NSW 2000
Australia

Telephone: + 61 2 9033 3033
Facsimile: + 61 2 9264 2855
Attention: Head of Debt Capital Markets

The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch
(ABN 65 117 925 970; AFSL 301737)

Level 36, Tower 1
International Towers Sydney
100 Barangaroo Avenue
Sydney NSW 2000
Australia

Telephone: + 61 2 9255 2203
Facsimile: + 61 2 9255 2012
Attention: Head of AU/NZ Debt Capital Markets

Nomura International plc

1 Angel Lane
London EC4R 3AB
United Kingdom

Telephone: + 44 20 7103 5652
Facsimile: + 44 20 7102 5804
Attention: Fixed Income Syndicate

The Toronto-Dominion Bank

1 Temasek Avenue
#15-02 Millenia Tower
Singapore 039192

Telephone: + 65 6500 8029
Facsimile: + 65 6338 8347
Attention: Managing Director – Head of Asia Syndicate

Registrars and Agents

Australian Registrar

Computershare Investor Services Pty Limited
(ABN 48 078 279 277)

Yarra Falls
452 Johnston Street
Abbotsford VIC 3067
Australia

Telephone: + 61 3 9415 5000
Email:
AUCSSYDStructuredProducts@computershare.com.au
Attention: Senior Relationship Manager –
Structured Products

New Zealand Registrar

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622
New Zealand

Telephone: + 649 4888 700
Email: Wholesaleissues@computershare.co.nz
Attention: Manager, Fixed Income Registry