



BANK

**EXECUTION VERSION**

**N.V. BANK NEDERLANDSE GEMEENTEN**  
*(incorporated with limited liability under the  
laws of the Netherlands and having its  
statutory domicile in The Hague)*

Euro 100,000,000,000  
Debt Issuance Programme

Issue of  
EUR 250,000,000 0.250 per cent. Notes 2017 due 22 February 2023  
(the "**Notes**")

Series No.: 1278

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**FINAL TERMS**

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The Notes will, when and to the extent that the Temporary Global Note (as defined herein) is exchanged for the Permanent Global Note (as defined herein), be consolidated and become fungible and form a single Series with the EUR 1,750,000,000 0.250 per cent. Notes 2016 due 22 February 2023 issued by the Issuer on 22 February 2016 as Series No. 1240, which Notes formed the subject matter of a Final Terms dated 18 February 2016.

The date of these Final Terms is 27 January 2017.



The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that 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 the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Joint Lead Manager 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. Neither the Issuer nor any Joint Lead Manager has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and any amendments thereto, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State.

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions as referred to on pages 61 up to and including 96 of the base prospectus of the Issuer relating to the Programme, dated 27 May 2015 as supplemented by the supplements to the base prospectus dated 31 August 2015 and 8 March 2016 (the "**2015 Terms and Conditions**") which have been incorporated by reference in, and form part of the base prospectus dated 27 May 2016, as supplemented by the supplemental prospectus dated 29 August 2016 (the "**Base Prospectus**") issued in relation to the Euro 100,000,000,000 debt issuance programme of N.V. Bank Nederlandse Gemeenten which together constitute a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus, save in respect of the 2015 Terms and Conditions incorporated by reference therein. Full information on the Issuer and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. However, a summary of the issue of the Notes is annexed to these Final Terms.

The Base Prospectus (and copies of the 2015 Terms and Conditions) are available for viewing at the investor relations section of the Issuer's website, [www.bngbank.com/funding/issuance-programmes](http://www.bngbank.com/funding/issuance-programmes), and at the offices of the Paying Agents in Amsterdam, Luxembourg and London specified in the Base Prospectus. Copies may, upon oral or written request, also be obtained from the Paying Agents.

These Final Terms do not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation; and no action is being taken to permit an offering of the Notes or the distribution of these Final Terms in any jurisdiction where such action is required.



## PART A – CONTRACTUAL TERMS

The terms of the Notes are as follows:

1. Issuer: N.V. Bank Nederlandse Gemeenten
2. Series Number: 1278  
The Notes will, when and to the extent that the Temporary Global Note is exchanged for the Permanent Global Note, be consolidated, become fungible and form a single Series with the existing EUR 1,750,000,000 0.250 per cent. Notes 2016 due 22 February 2023 issued on 22 February 2016 as Series No. 1240 (the "**Original Notes**")
3. Specified Currency or Currencies: Euro ("**EUR**")
4. Aggregate Nominal Amount: EUR 250,000,000  
After the Notes are consolidated and become fungible with the Original Notes, the Aggregate Nominal Amount of the Series will be EUR 2,000,000,000, consisting of the Aggregate Nominal Amount of the Notes, being EUR 250,000,000, and the Aggregate Nominal Amount of the Original Notes being EUR 1,750,000,000
5. Issue Price: 100.536 per cent. of the Aggregate Nominal Amount of the Notes plus 344 days of accrued interest from and including the Interest Commencement Date to, but excluding, the Issue Date
6. (i) Specified Denomination(s): EUR 1,000 and integral multiples of EUR 1,000 thereafter  
(ii) Calculation Amount: EUR 1,000
7. (i) Issue Date: 31 January 2017  
(ii) Interest Commencement Date: 22 February 2016
8. Maturity Date: 22 February 2023
9. Interest Basis: 0.250 per cent. Fixed Rate  
(further particulars specified below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount  
(further particulars specified below)
11. Put/Call Options: Not Applicable
12. Date Board approval for issuance of Notes obtained: Not Applicable

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

13. **Fixed Rate Note Provisions** Applicable
  - (i) Fixed Rate(s) of Interest: 0.250 per cent. per annum payable annually in arrear



(ii)	Interest Payment Date(s):	22 February in each year up to and including the Maturity Date, subject to adjustment for payment purposes only in accordance with the Following Business Day Convention
(iii)	Fixed Coupon Amount(s):	EUR 2.50 per Calculation Amount
(iv)	Broken Amount(s):	Not Applicable
(v)	Day Count Fraction:	Actual/Actual (ICMA)
(vi)	Regular Date(s):	22 February in each year
14.	<b>Floating Rate Note Provisions</b>	Not Applicable
15.	<b>Zero Coupon Note Provisions</b>	Not Applicable
16.	<b>Dual Currency Interest Note Provisions</b>	Not Applicable
17.	<b>Reverse Floater Interest Note Provisions</b>	Not Applicable
18.	<b>Step-Down Interest Note Provisions</b>	Not Applicable
19.	<b>Step-Up Interest Note Provisions</b>	Not Applicable
20.	<b>Dual Currency Redemption Note Provisions</b>	Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

21.	Issuer Call Option:	Not Applicable
22.	Investor Put Option:	Not Applicable
23.	Final Redemption Amount:	EUR 1,000 per Calculation Amount
24.	Early Redemption Amount(s) payable per Calculation Amount on redemption (a) for taxation reasons (Condition 6(b)) or (b) on the occurrence of an event of default (Condition 7):	EUR 1,000 per Calculation Amount

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

25.	Form of Notes:	Bearer Notes
26.	Temporary Global Note exchangeable for Definitive Notes:	Not Applicable
27.	Temporary Global Note exchangeable for a Permanent Global Note:	<p>Applicable. The Notes will initially be represented upon issue by a temporary global note (the "<b>Temporary Global Note</b>") in bearer form without interest coupons attached, which will be exchangeable on or after the date falling 40 days after the Issue Date in accordance with the terms thereof, for interests in a permanent global note (the "<b>Permanent Global Note</b>"), upon certification as to non-U.S. beneficial ownership as provided therein.</p> <p>Where a Global Note is to be cleared through Euroclear, Clearstream Luxembourg or any other</p>

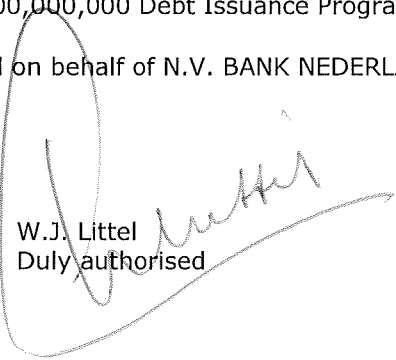


- |     |                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |                                                                                                                   | relevant clearing system and is exchangeable for Definitive Notes at any time or where Definitive Notes will definitely be issued, the Notes may only be issued in such denominations as Euroclear, Clearstream Luxembourg or any such other relevant clearing system will permit at that time. In particular, the Notes may not have denominations that include integral multiples of an amount if such amount is not divisible by the minimum denomination of such Notes.          |
| 28. | Permanent Global Note exchangeable for Definitive Notes:                                                          | Applicable, but only as set out in Condition 1(e), except that in each case a Permanent Global Note which forms part of a securities deposit ( <i>girodepot</i> ) with Euroclear Netherlands shall only be exchangeable within the limited circumstances as described in the Netherlands Securities Giro Act ( <i>Wet giraal effectenverkeer</i> ) and such exchange will be made in accordance therewith, the Euroclear Netherlands' terms and conditions and operational documents |
| 29. | Registered Notes:                                                                                                 | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 30. | New Global Note:                                                                                                  | Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 31. | New Safekeeping Structure:                                                                                        | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 32. | Additional Financial Centre(s) or other special provisions relating to payment dates:                             | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 33. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 34. | Details relating to Installment Notes:                                                                            | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 35. | Redenomination:                                                                                                   | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on the Luxembourg Stock Exchange of the Notes described herein pursuant to the Euro 100,000,000 Debt Issuance Programme of the Issuer.

Signed on behalf of N.V. BANK NEDERLANDSE GEMEENTEN:

By:   
 W.J. Littel  
 Duly authorised



**PART B – OTHER INFORMATION**

**1. LISTING**

(i) Admission to trading: Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from the Issue Date

The Original Notes have been admitted to trading on the regulated market of the Luxembourg Stock Exchange

(ii) Estimate of total expenses relating to admission to trading: EUR 600 (listing fee)

**2. RATINGS**

The Notes are expected to be rated:

Standard & Poor's Credit Market Services Europe Limited: AAA (stable outlook)

Fitch Ratings Limited: AA+ (stable outlook)

Moody's Investors Service Limited: Aaa (stable outlook)

**3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

**4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

(i) Reasons for the offer: The net proceeds of the issue of the Notes will be used by the Issuer for general corporate purposes

(ii) Estimated net proceeds: EUR 251,927,431.69 (including 344 days of accrued interest)

(iii) Estimated total expenses: Not Applicable

**5. INDICATION OF YIELD**

0.161 per cent. per annum

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

**6. HISTORIC INTEREST RATES**

Not Applicable

**7. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Not Applicable

**8. OPERATIONAL INFORMATION**

ISIN Code: Until the Notes are consolidated, become fungible and form a single Series with the Original Notes,



they will have the temporary ISIN Code XS1558181407; afterwards the Notes will have the same ISIN Code as the Original Notes, which is XS1368698251

Common Code: Until the Notes are consolidated, become fungible and form a single Series with the Original Notes, they will have the temporary Common Code 155818140; afterwards the Notes will have the same Common Code as the Original Notes, which is 136869825

Valor: Not Applicable

Clearing System: Euroclear. Euroclear's offices are situated at 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium  
Clearstream, Luxembourg. Clearstream, Luxembourg's offices are situated at 42 Avenue J.F. Kennedy, 1855 Luxembourg.

Delivery: Delivery against payment

Names and addresses of Paying Agent(s): As set out in the Base Prospectus

Intended to be held in a manner which would allow Eurosystem eligibility: Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

9. **DISTRIBUTION**

- (i) Method of distribution: Syndicated
- (ii) If syndicated, names and addresses of Joint Lead Managers:
  - Joint Lead Managers:*
  - Crédit Agricole Corporate and Investment Bank**  
12, Place des Etats-Unis  
CS 70052 - 92547 Montrouge Cedex  
France
  - Nomura International plc**  
1 Angel Lane  
London EC4R 3AB  
United Kingdom
- (iii) Date of Subscription Agreement: 27 January 2017
- (iv) Stabilising Manager(s) (if any): Not Applicable
- (v) If non-syndicated, name: Not Applicable



and address of Dealer:

- |                                       |                                                   |
|---------------------------------------|---------------------------------------------------|
| (vi) Total commission and concession: | Not Applicable                                    |
| (vii) U.S. Selling Restrictions:      | Regulation S Category 2; TEFRA D Rules applicable |
| (viii) Non-exempt Offer:              | Not Applicable                                    |
| (ix) General Consent:                 | Not Applicable                                    |
| (x) Other conditions to consent:      | Not Applicable                                    |

10. **TERMS AND CONDITIONS OF THE OFFER**

Not Applicable

11. **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms which, when read together with the Base Prospectus referred to above, contains all information that is material in the context of the issue of the Notes.

12. **THIRD PARTY INFORMATION**

Not Applicable





### SUMMARY OF THE NOTES

Summaries are made up of disclosure requirements known as "**Elements**". These Elements are numbered in Sections A – E (A.1 – E.7). This Summary contains all the Elements required to be included in a summary for this type of securities and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in a summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element should be included in the summary with the mention of 'Not Applicable'.

<b>Section A – Introduction and Warnings</b>		
<b>A.1</b>	<b>Introduction and warnings:</b>	This summary should be read as an introduction to the Base Prospectus. Any decision to invest in the Notes should be based on consideration of the Base Prospectus as a whole by the investor including any documents incorporated by reference. Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member State, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.
<b>A.2</b>	<b>Consent to use of the Base Prospectus:</b>	Not Applicable. No Non-exempt Offer of the Notes will be made.
<b>Section B – The Issuer</b>		
<b>B.1</b>	<b>Legal and commercial name:</b>	The legal name of the Issuer is N.V. Bank Nederlandse Gemeenten. The commercial name of the Issuer is BNG Bank.
<b>B.2</b>	<b>Domicile and legal form, applicable legislation and country of incorporation:</b>	BNG Bank is a public company with limited liability ( <i>naamloze vennootschap</i> ) incorporated under the laws of the Netherlands, having its statutory seat at The Hague, the Netherlands. BNG Bank is registered in the trade register of the Chamber of Commerce under no. 27008387.
<b>B.4b</b>	<b>Description of any known trends affecting the Issuer and the industries in which it operates:</b>	BNG Bank's business and results of operations are affected by local and global economic conditions, perceptions of those conditions and future economic prospects. The outlook for the global economy in the near- to medium-term remains uncertain due to several factors, including geopolitical risks, concerns around global growth and price stability. Risks to growth and stability stem mainly from continued imbalances in Europe and elsewhere, low growth levels in foreign markets and conflicts in Ukraine and the Middle East. Furthermore, uncertainty about how economies will respond to lower oil prices and the European Central Bank's (the " <b>ECB</b> ") monetary policy measures, including



		<p>the implementation of the quantitative easing ("QE") programme that commenced in March 2015 affect growth and stability. In addition, there is a risk that Europe may suffer from deflation causing consumers and businesses to cut back on spending. The outlook for the economy in the Netherlands remains modest.</p> <p>BNG Bank's business is impacted generally by the business and economic environment in which it operates, which itself is impacted by factors such as changes in interest rates, securities prices, credit and liquidity spreads, exchange rates, consumer spending, business investment, real estate valuations, government spending, inflation, the volatility and strength of the capital markets and other de-stabilising forces such as geopolitical tensions or acts of terrorism.</p>												
		<p>The introduction of, and changes to, taxes, levies or fees applicable to BNG Bank's operations (such as the imposition of a financial transactions tax and bank levy) has had and may in the future have an adverse effect on its business and/or results of operations.</p> <p>Although it is difficult for BNG Bank to predict what impact all of the recent regulatory changes, developments and heightened levels of scrutiny will have on BNG Bank, the enactment of legislation and regulations in the Netherlands, changes in other regulatory requirements and the transition to direct supervision by the ECB, have resulted in increased capital and liquidity requirements and increased operating costs and have impacted, and are expected to continue to impact, BNG Bank's business.</p>												
<b>B.5</b>	<b>Description of the Issuer's group and the Issuer's position within the group:</b>	<p>The outstanding shares in the share capital of BNG Bank are held by the Dutch State (50%), with the remainder held by more than 95% of Dutch municipalities, 11 of the 12 Dutch provinces, and one water board.</p> <p>BNG Bank has a number of wholly owned subsidiaries that provide services ancillary to the principal activity of BNG Bank of lending to the public sector. These subsidiaries are:</p> <ul style="list-style-type: none"> <li>• BNG Gebiedsontwikkeling B.V.</li> <li>• Hypotheekfonds voor Overheidspersoneel B.V.</li> </ul>												
<b>B.9</b>	<b>Profit forecast or estimate:</b>	Not Applicable. BNG Bank has not made any public profit forecasts or profit estimates.												
<b>B.10</b>	<b>Qualifications in the Auditors' report:</b>	Not Applicable. The audit reports with respect to BNG Bank's audited financial statements as of and for the financial years ended 31 December 2015, 31 December 2014 and 31 December 2013 incorporated by reference in the Base Prospectus are unqualified.												
<b>B.12</b>	<b>Selected Financial Information - Material/ Significant Change:</b>	<p>The selected historical key financial information for BNG Bank is set out below:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>2015</th> <th>2014</th> <th>2013</th> <th>2012</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		2015	2014	2013	2012	2011						
	2015	2014	2013	2012	2011									

		<i>(€ millions, except percentages, per share and employee data)</i>					
		Total Assets .....	149,511	153,505	131,183	142,228	136,460
		Loans and Advances.....	89,366	90,732	92,074	90,725	90,775
		of which granted to or guaranteed by public authorities .....	80,159	81,036	81,701	79,666	78,548
		of which reclassified from the financial assets available-for-sale item.....	1,575	1,779	2,259	2,603	3,219
		Shareholders' Equity <sup>1</sup> .....	3,739	3,582	3,430	2,752	1,897
		- Hybrid Capital .....	424	-	-	-	-
		Equity per share (in euros) <sup>1</sup> ...	67.14	64.32	61.59	49.41	34.06
		Leverage ratio <sup>2</sup> .....	2.6%	2.0%	2.3%	2.0%	1.8%
		Common Equity Tier 1 ratio <sup>2</sup> ..	23%	24%	24%	22%	20%
		Tier 1 ratio <sup>2</sup> .....	27%	24%	24%	22%	20%
		Profit before tax.....	314	179	397	460	339
		Net Profit.....	226	126	283	332	256
		Profit per Share (in euros) .....	4.06	2.26	5.08	5.96	4.60
		Proposed dividend.....	57	32	71	83	64
		Dividend as a % of Consolidated Net Profit .....	25%	25%	25%	25%	25%
		Dividend per share (in euros) .....	1.02	0.57	1.27	1.49	1.15
		Employees (in FTEs) at Year-End .....	285	278	273	279	278
		- of which Subsidiaries.....	25	27	28	36	41
		Sickness absence.....	2.9%	2.4%	2.8%	2.8%	2.1%
		<b>Environment .....</b>					
		CO <sub>2</sub> emissions (total, in tonnes) .....	511	480	560	585	594
		Per FTE (in tonnes) .....	1.8	1.7	2.1	2.1	2.1
		Electricity consumption (MWh).....	1,593	1,564	1,480	1,401	1,362
		District heating (GJ).....	2,473	2,220	2,939	2,326	2,123
		<sup>1</sup> Excluding hybrid capital.					
		<sup>2</sup> The solvency ratios (the leverage, BIS Tier 1 and BIS ratios) were calculated and presented in accordance with the applicable Basel II regulations up to and including 2013. The CRD IV/CRR regulations apply from 1 January 2014 and the solvency ratios (leverage ratio, Common Equity Tier 1 ratio and Tier 1 ratio) have therefore been calculated and presented on the basis of these regulations, as phased in. The comparative figures have not been adjusted in line with the new regulations.					
		<b>Material/Significant Change</b>					
		There has been no material adverse change in the prospects of BNG Bank since 31 December 2015.					
<b>B.13</b>	<b>Recent material events particular to the Issuer's solvency:</b>	Not Applicable. There are no recent events particular to BNG Bank which are to a material extent relevant to the evaluation of BNG Bank's solvency.					
<b>B.14</b>	<b>Dependency of Issuer upon other</b>	BNG Bank has a number of wholly owned subsidiaries that provide services ancillary to the principal activity of BNG Bank of lending					



	<b>entities within group:</b>	to the public sector.
<b>B.15</b>	<b>Principal activities of the Issuer:</b>	BNG Bank is a specialised lender to local and regional authorities as well as to public-sector institutions such as utilities, housing, healthcare, welfare and educational institutions, and is the largest public-sector lender in the Netherlands and the principal bank for the Dutch public sector in terms of loans, advances and inter-governmental money transfers. BNG Bank also provides limited lending to public-private partnerships.
<b>B.16</b>	<b>Direct or Indirect ownership or control of the Issuer:</b>	BNG Bank's shareholders are exclusively Dutch public authorities. The Dutch State's shareholding is 50%, with the remainder held by more than 95% of Dutch municipalities, 11 of the 12 Dutch provinces, and one water board.
<b>B.17</b>	<b>Credit ratings assigned to the Issuer or its debt securities:</b>	The Notes to be issued are expected to be specifically rated:  Standard & Poor's Credit Market Services Europe Limited: AAA (stable outlook)  Fitch Ratings Limited: AA+ (stable outlook)  Moody's Investors Service Limited: Aaa (stable outlook)
<b>Section C – Securities</b>		
<b>C.1</b>	<b>Type and class of the Notes and Security Identification Number(s):</b>	<i>Type:</i> debt instruments.  The Notes are Fixed Rate Notes and are in bearer form.  The Notes are issued as Series No. 1278. The Aggregate Nominal Amount of the Notes is EUR 250,000,000. The Notes will be consolidated, become fungible and form a single Series with the existing EUR 1,750,000,000 0.250 per cent. Notes 2016 due 22 February 2023 issued on 22 February 2016 as Series No. 1240 (the " <b>Original Notes</b> ").  <i>Security Identification Number(s):</i>  ISIN Code: Until the Notes are consolidated, become fungible and form a single Series with the Original Notes, they will have the temporary ISIN Code XS1558181407; afterwards the Notes will have the same ISIN Code as the Original Notes, which is XS1368698251.  Common Code: Until the Notes are consolidated, become fungible and form a single Series with the Original Notes, they will have the temporary Common Code 155818140; afterwards the Notes will have the same Common Code as the Original Notes, which is 136869825.
<b>C.2</b>	<b>Currencies:</b>	The Specified Currency of the Notes is Euro.
<b>C.5</b>	<b>A description of any restrictions</b>	<i>U.S. Selling Restrictions:</i> Regulation S Category 2; TEFRA D Rules



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	<p><b>on the free transferability of the Notes:</b></p>	<p>applicable.</p>
<p><b>C.8</b></p>	<p><b>Description of the rights attached to the Notes:</b></p>	<p><i>Ranking (status)</i></p> <p>The Notes constitute direct and unsecured obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory operation of law.</p> <p><i>Negative Pledge</i></p> <p>So long as any Notes 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 Notes equally and rateably with such other loan or indebtedness.</p> <p><i>Taxation</i></p> <p>All amounts payable (whether in respect of principal, redemption amount, interest or otherwise), in respect of the Notes, will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Netherlands or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or charges is required by law. In that event, subject to certain exceptions, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the Holders after such withholding or deduction shall equal the respective amounts which would have been receivable in the absence of such withholding or deductions.</p> <p><i>Events of Default</i></p> <p>The Terms and Conditions of the Notes contain the following events of default:</p> <p>(i) if default is made in the payment of any principal or interest due on the Notes or any of them and such default continues for a period of 30 days; or</p> <p>(ii) if the Issuer fails to perform or observe any of its other obligations under the Notes and (except where such failure is incapable of remedy, when no such notice will be required) such failure continues for a period of 60 days next following the service on the Issuer of notice requiring the same to be remedied; or</p> <p>(iii) if any order shall be made by a competent court or other authority or resolution passed for the dissolution or winding-up of the Issuer or for the appointment of a liquidator or receiver of the Issuer or of all or substantially all of its respective assets or if the</p>



		<p>Issuer enters into a composition with its creditors or a declaration in respect of the Issuer is made to apply the emergency regulation (<i>noodregeling</i>) under Chapter 3, Section 3.5.5.1 of the Dutch Financial Supervision Act (<i>Wet op het financieel toezicht</i>) as amended, modified or re-enacted from time to time, admits in writing that it cannot pay its debts generally as they become due, initiates a proceeding in bankruptcy, or is adjudicated bankrupt.</p> <p><i>Meetings</i></p> <p>Meetings of Noteholders may be convened to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.</p> <p><i>Governing Law</i></p> <p>The Notes and all related contractual documentation will be governed by, and construed in accordance with, the laws of the Netherlands.</p>
C.9	<p><b>Interest, maturity and redemption provisions, yield and representative of the Noteholders:</b></p>	<p><i>Interest</i></p> <p>The Notes are Fixed Rate Notes. The Notes bear interest from 22 February 2016 at a rate of 0.250 per cent. per annum payable annually in arrear on 22 February in each year. Indication of yield: 0.161 per cent. per annum.</p> <p><i>Maturity</i></p> <p>The maturity date of the Notes is 22 February 2023 (the "<b>Maturity Date</b>"). Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Notes at EUR 1,000 per Calculation Amount in Euro on the Maturity Date.</p> <p><i>Early redemption</i></p> <p>BNG Bank will be permitted to redeem all (but not some only) Notes if, as a result of any change in or amendment to applicable law (which change or amendment is announced and becomes effective on or after the Issue Date of the first Tranche of such Notes), BNG Bank determines that it would or will be required to pay additional amounts in accordance with Condition 8 with respect to payments relating to such Notes.</p> <p><i>Issuer Call Option</i></p> <p>Not Applicable</p> <p><i>Investor Put Option</i></p> <p>Not Applicable</p> <p><i>Representative of the Noteholders</i></p>



		Not Applicable
<b>C.10</b>	<b>Derivative component in interest payments:</b>	Not Applicable. The securities issued under the Programme do not have a derivative component in the interest payment.
<b>C.11</b>	<b>Listing and admission to trading:</b>	Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from 31 January 2017. The Original Notes have been admitted to trading on the regulated market of the Luxembourg Stock Exchange.
<b>C.21</b>	<b>Market for which a prospectus has been published:</b>	See the above element, C.11.
<b>Section D – Risks</b>		
<b>D.2</b>	<b>Key information on the key risks that are specific to the Issuer:</b>	<p>By investing in Notes issued under the Programme, investors assume the risk that BNG Bank may become insolvent or otherwise unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in BNG Bank becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur. The inability of BNG Bank to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations. BNG Bank has identified a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.</p> <p>These factors include:</p> <ul style="list-style-type: none"> <li>• local and global economic and financial market conditions;</li> <li>• the weakening of the nascent economic recovery in Europe;</li> <li>• liquidity risks and adverse capital and credit market conditions;</li> <li>• volatility in interest rates, credit spreads and markets;</li> <li>• rating downgrades;</li> <li>• not all market risks may be successfully managed through derivatives;</li> <li>• counterparty risk exposure;</li> <li>• risk management methods may leave exposure to risk;</li> </ul>



		<ul style="list-style-type: none"> <li>• operational risk exposure;</li> <li>• significant regulatory developments and changes in the approach of BNG Bank's regulators;</li> <li>• amendments to the regulation on Treasury Banking;</li> <li>• failure and inadequacy of IT and other systems; and</li> <li>• failure and inadequacy of third parties to which it has outsourced.</li> </ul>
<b>D.3</b>	<b>Key information on the key risks that are specific to the Notes:</b>	<p>There are also risks associated with the Notes. These include:</p> <p>Risks related to the market for the Notes:</p> <ul style="list-style-type: none"> <li>• liquidity risk;</li> <li>• exchange rate risk and exchange controls;</li> <li>• interest rate risk; and</li> <li>• credit rating risk.</li> </ul> <p>Factors which might affect an investor's ability to make an informed assessment of the risks associated with Notes issued under the Programme.</p> <p>Risks related to Notes generally:</p> <ul style="list-style-type: none"> <li>• modification and waiver of the terms and conditions of the Notes;</li> <li>• adverse tax consequences for the holder of Notes;</li> <li>• risks related to Notes held in global form;</li> <li>• risks related to restrictions on transfer;</li> <li>• risks related to nominee arrangements;</li> <li>• risks related to Notes in New Global Note form;</li> <li>• possible change to Dutch law or administrative practice;</li> <li>• implemented and proposed banking legislation for ailing banks; and</li> <li>• legal investment considerations that may restrict certain investors.</li> </ul>
<b>Section E – Offer</b>		
<b>E.2b</b>	<b>Reasons for the offer and use of</b>	The net proceeds of the issue of the Notes will be used by the Issuer for general corporate purposes





	<b>proceeds:</b>	
<b>E.3</b>	<b>Terms and Conditions of the Offer:</b>	Not Applicable. No Non-exempt Offer of the Notes will be made.
<b>E.4</b>	<b>Interests of natural and legal persons involved in the issue of the Notes:</b>	So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.
<b>E.7</b>	<b>Estimated expenses charged by the Issuer:</b>	There are no expenses charged to the investor by the Issuer.