Dated 4 December 2015

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.

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

€175,000,000
1.500 per cent. Fixed Rate Reset Subordinated Notes due 8 December 2025

Issue Price 99.680 per cent.

The €175,000,000 1.500 per cent. Fixed Rate Reset Subordinated Notes due 8 December 2025 (the "Notes") will be issued by Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (the "Issuer" or "FMO"). The Notes will bear interest (i) from (and including) 8 December 2015 (the "Issue Date") to (but excluding) 8 December 2020 (the "First Call Date"), at an interest rate of 1.500 per cent. per annum and (ii) from (and including) the First Call Date to (but excluding) 8 December 2025 (the "Maturity Date"), at an interest rate per annum which shall be the Reset Reference Rate (as defined in "Terms and Conditions of the Notes") plus 1.400 per cent., in each case payable annually in arrear on each Interest Payment Date, as more fully described in the "Terms and Conditions of the Notes". Payments on the Notes will be made without deduction for or on account of taxes of the Netherlands to the extent described under "Terms and Conditions of the Notes — Taxation".

The Notes mature on 8 December 2025. The Notes may be redeemed in whole but not in part at the option of the Issuer on 8 December 2020 at their principal amount together with accrued interest. Upon the occurrence of a Tax Event (as defined below) or a Capital Disqualification Event (as defined below), the Notes may be redeemed at the option of the Issuer (at any time) in whole, but not in part, at their principal amount together with accrued interest. See "Terms and Conditions of the Notes — Redemption and Purchase – Redemption for Taxation Reasons" and "Terms and Conditions of the Notes — Redemption and Purchase – Redemption for Regulatory Reasons".

The Notes are intended to qualify as tier 2 capital for regulatory capital adequacy purposes and will constitute unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. See "Terms and Conditions of the Notes — Status" and "Terms and Conditions of the Notes — Subordination".

Application has been made to the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "AFM") which is the Netherlands' competent authority for the purpose of Directive 2003/71/EC, as amended, to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area (the "Prospectus Directive"), for the approval of this Prospectus for the purposes of the Prospectus Directive. Application has also been made to Euronext Amsterdam N.V. for the Notes to be listed and admitted to trading on Euronext in Amsterdam ("Euronext Amsterdam"), the regulated market of Euronext Amsterdam N.V. References in this Prospectus to the Notes being "listed" (and all related references) shall mean that the Notes have been admitted to listing and trading on Euronext Amsterdam's regulated market, which is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

The denomination of the Notes shall be €100,000.

The Notes will initially be represented by a Temporary Global Note, without interest coupons, which will be deposited with a common depositary on behalf of the Clearstream, Luxembourg and Euroclear systems on or about 8 December 2015. The Temporary Global Note will be exchangeable for interests in a Global Note, without interest coupons, on or after a date which is expected to be 18 January 2016, upon certification as to non-U.S. beneficial ownership. The Global Note will be exchangeable for definitive Notes in bearer form in the denomination of €100,000 in the circumstances set out in it. See "Summary of Provisions relating to the Notes while in Global Form".

The Notes have been rated AA+ by Fitch Ratings Limited. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Fitch Ratings Limited is established in the EU and registered under Regulation (EC) No 1060/2009 (the "CRA Regulation").

HSBC **J.P. Morgan**

FMO accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of FMO (which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus 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 Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of the offering contemplated in this Prospectus may only do so in circumstances in which no obligation arises for the Issuer or any of the Managers 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 the Managers have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or the Managers to publish or supplement a prospectus for such offer.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see "Documents Incorporated by Reference").

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Managers (as defined in "Subscription and Sale" below) to subscribe or purchase, any of the Notes. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of Notes and distribution of this Prospectus, see "Subscription and Sale" below.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither HSBC Bank plc nor J.P. Morgan Securities plc has separately verified the information contained in this Prospectus. HSBC Bank plc and J.P. Morgan Securities plc make no representation, express or implied, or accept any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. Neither this Prospectus nor any other financial statements are or should be considered as a recommendation by the Issuer or HSBC Bank plc or J.P. Morgan Securities plc that any recipient of this Prospectus should purchase the Notes. Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus. This Prospectus does not describe all of the risks of an investment in the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary.

To the fullest extent permitted by law, the Managers accept no responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by a Manager or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act") and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Unless otherwise specified or the context requires, references to "Euro", "EUR", and "€" refer to the currency introduced at the start of the third stage of the Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended.

In connection with the issue of the Notes, J.P. Morgan Securities plc (the "Stabilising Manager(s)") (or any person acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

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Risk Factors

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons, and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

*Capitalised terms used herein shall, unless otherwise defined, have the same meanings as in the terms and conditions of the Notes (the "**Conditions**").*

Factors that may affect the Issuer's ability to fulfil its obligations under or in connection with the Notes.

Should the risks stated below materialise, this could cause losses for FMO and could have an adverse effect on its liquidity position. As a result FMO may not be able to fulfil its obligations under the Notes independently.

The material risks FMO faces in its operations include:

Credit risk

The most important risk to FMO is credit risk, particularly as a result of FMO having to take risks that commercial market parties are usually not prepared to take. Credit risk is the risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation. This primarily involves risks connected to providing long-term financing to companies in developing countries. In addition to financing in developing countries, FMO has credit risks in connection with the liquid assets maintained by it, its investment portfolio and its hedging contracts. FMO can incur losses on loans that are not repaid by its clients, or when its counterparties in respect of its liquid assets, derivatives or other transactions fail to meet their contractual obligations. If a substantial number of the clients in FMO's loan portfolio fail to repay their loans in full, or if a substantial number of such other counterparties fail to meet their contractual obligations, FMO could experience an operational loss, which could reduce its profitability and lower its equity base.

Market risk

FMO's market risk consists of currency and interest rate risks. FMO's lending activity (debt placements) is denominated mostly in US Dollars (about 75% of its lending capacity) and in emerging market currencies, while the majority of borrowings in the capital markets are in US Dollars supplemented by currencies such as Japanese Yen and Swiss Francs and Euro. FMO also offers certain debt products for which the interest rates are fixed. FMO's equity portfolio is denominated mostly in US Dollars and to a lesser extent in emerging market currencies. Changes in the level of currency exchange rates, interest rates, credit spreads included in interest rates (caused by the market perception of credit risk, liquidity risk or other risks) and changes between different types of interest rates may negatively affect FMO's business by decreasing its interest income. In a period of changing interest rates (and higher and more volatile credit spreads), interest expense may increase at different rates than the interest earned on assets. Accordingly, changes in interest rates could

decrease interest result of FMO. FMO enters into derivatives to manage the currency and basic interest rate risks associated with the products described above across its portfolio as a whole. Especially in its equity activities FMO runs currency risks that cannot be covered, as the future cash flow is unknown. This currency risk is due to a sensitivity of its equity portfolio to the exchange rate Euro versus US Dollar as an increase or decrease of the US Dollar by 10% results in substantial movement in the value of the equity portfolio expressed in Euro. If FMO is unable to hedge these currency and interest rate exposures, either on account of the investment being an equity investment or because FMO is unable to identify or obtain a suitable hedging instrument, or if FMO for any reason elects not to enter into a currency or interest rate hedging instrument, FMO will be exposed to market risk which could affect FMO's profitability.

Liquidity risk

The present treasury policy on investment provides for the need to maintain cash holdings, among other things to cover the liquidity risk. FMO has been rated 'AAA/Stable/A-1+' by Standard & Poor's Credit Market Services Europe Ltd. ("Standard & Poor's") and 'AAA/Stable/F1+' by Fitch Ratings Limited ("Fitch"). As of the date of this Prospectus, Standard & Poor's and Fitch are established in the European Union and registered under the CRA Regulation.

FMO currently shares the same Standard & Poor's and Fitch credit ratings as the State, primarily as a result of the undertakings provided to FMO by the State in the State Agreement (see 'Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden N.V. - State Agreement'; also see the risk factor entitled "*Implemented and proposed banking legislation for ailing banks, including powers for regulators to write down debt*"). Accordingly, any further change in the credit rating of the State could result in a corresponding change to FMO's credit rating. Although FMO has not to date experienced an increase in its costs of accessing capital markets as a result of Standard & Poor's downgrade, if ratings are (further) lowered, FMO's cost of accessing capital markets as its main source of funding may increase, and it may encounter increased liquidity risks. This may also have an impact on FMO's competitive position with its clients in the public sector and its financial condition. Standard & Poor's and Fitch review their ratings and rating methodologies on a recurring basis and may decide on a (further) downgrade at any time.

FMO retains a sizeable portfolio of liquid investments to generate liquidity if required. The State Agreement addresses liquidity risk in article 8 (see 'Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden N.V. - State Agreement'). If FMO's access to the capital markets were to decline or the cost of accessing such markets should increase significantly or if FMO is unable to attract other sources of financing, these developments could have an adverse effect on FMO's financial condition and results of operations and could, in turn, impair FMO's access to liquidity. Under the State Agreement, the State has undertaken to provide support to FMO to the extent necessary to fulfil its obligations in respect of, among other things, all loans raised on the capital markets and all short-term funds raised on the money market with maturities of two years or less. If and to the extent that the State were to fail to fulfil its obligations under the State Agreement in a timely manner or at all, FMO could be unable to fulfil these obligations in a timely manner or at all when due.

Operational risk

Operational risks can arise from inadequate procedures, regulatory breaches, including inadequate compliance with internal and external laws and/or wilful or negligent actions or omissions by employees, advisors or contractors of FMO. Examples are fraud, unreported risk positions and other events of an operational nature that can have a negative outcome for FMO. Negative effects from FMO's procedures, information systems and/or employees, advisors or contractors can increase costs and/or other liabilities for FMO, and can negatively affect FMO's profitability and reputation.

No reliance upon the State

Although (i) the State is a majority shareholder in FMO and (ii) FMO has an agreement with the State which provides FMO with financial support (see 'Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden N.V. - State Agreement' for an extensive description of this agreement and the risk factor entitled "*Implemented and proposed banking legislation for ailing banks, including powers for regulators to write down debt*"), the State's involvement and/or financial support may over time, subject to a twelve-year notice period (no notice having been received to the date of this Prospectus), be decreased substantially or terminated altogether and alter FMO's risk profile, financial position or future prospects. As a consequence, any such decrease or termination may have an adverse effect on FMO's financial position, credit rating and results of operations, which could have a negative impact on the risk profile of FMO.

Due to the economic crisis, the following risks may arise:

- It may be more difficult to obtain funds and it may be more expensive to fund FMO. Due to the global economic crisis, it is difficult, and could become more difficult, to obtain liquidity and term funding on favourable terms. Any increase of costs of funding may have an adverse effect on the financial position and results of operations of FMO.
- It may be more difficult to hedge risks. FMO enters into hedging arrangements in order to mitigate the market risks that are inherent to FMO's business and operations. It may become more difficult to maintain this hedging strategy as a consequence of which the hedging arrangements may not have the desired beneficial impact on FMO's financial position or results of operations and may result in losses.
- The risk that counterparties default on their obligations might increase. Counterparties may not be able to pay or perform under their obligations to FMO due to e.g. bankruptcy, lack of liquidity, downturns in the economy, operational failure or for other reasons. Any such defaults could lead to losses for FMO which could have a material adverse effect on FMO's business, results of operations and financial position.
- Investments might lose value. The fair value of investments made by FMO may change. Any such change may adversely affect the financial position of FMO.
- The solvency of FMO might suffer. FMO may not be able to meets its payments obligations due to insufficient financial resources or may only be able to secure such financial resources at high costs.
- Assets/investments might be less liquid. FMO requires liquidity in its day-to-day business activities primarily to pay its operating expenses and interests on its debt and other liabilities. The principal source of liquidity for FMO is the wholesale lending market, and as a result of obtaining a full banking license as per 3 March 2014, it may now also enter the retail lending market. Further liquidity is also available through cash flow from FMO's assets and investment portfolio. Any change in such liquidity may have a negative effect on FMO's financial position.

Impairment losses may occur on certain balance sheet items

The carrying amount of assets, save for deferred tax assets, is reviewed for impairment every time events or changes in circumstances indicate that the carrying amount might not be realised. An impairment loss is recognised whenever the carrying amount of an asset is higher than its realisable value. An impairment loss is charged directly to the income statement and/or debited directly to equity to the extent of any credit balance existing in the revaluation surplus in respect of that asset. Any related deferred tax assets or liabilities are determined by comparing the revised carrying amount of the asset with its tax base.

Changes in the financial services laws and/or regulations governing FMO's business may adversely affect its operations or profitability

FMO is subject to detailed banking laws and government regulation in the Netherlands. The Dutch Central Bank (De Nederlandsche Bank) ("DNB") has broad administrative power over many aspects of the banking business, including liquidity, capital adequacy, permitted investments, ethical issues and anti-money laundering. As of 4 November 2014, FMO is subject to indirect supervision by the European Central Bank ("ECB") under the new system of supervision, which comprises the ECB and the national competent authorities of participating EU Member States, the Single Supervisory Mechanism ("SSM"). The SSM is one of the elements of the Banking Union. The indirect supervision means that the ECB may give instructions to DNB in respect of FMO or even assume direct supervision over the prudential aspects of FMO's business.

Banking laws, regulations and policies currently governing FMO may also change at any time in ways which have an adverse effect on FMO's business, and it is difficult to predict the timing or form of any future regulatory or enforcement initiatives in respect thereof. As a relatively small organization, FMO is heavily burdened financially and operationally by the pressure of increasing regulations which need to be reconciled and implemented in line with FMO's business and the heightened duty to provide reports to DNB. In light of the responses to the global economic and financial crisis, financial institutions have been confronted with a succession of new legislation and regulations, including, in particular, rules and regulations regarding capital adequacy, liquidity, leverage, accounting and other factors affecting banks.

In December 2010, the Basel Committee on Banking Supervision published its final standards on the revised capital adequacy framework known as "Basel III". These standards are significantly more stringent than the existing requirements. In order to facilitate the implementation of the Basel III capital and liquidity standards for banks and investment firms, on 20 July 2011 the European Commission proposed a legislative package to strengthen the regulation of the banking sector. On 26 June 2013 the Council and the European Parliament adopted the package known as "CRD IV". CRD IV consists of a directive (the Capital Requirements Directive or "CRD IV Directive") and a regulation (the Capital Requirements Regulation or "CRR") which aims to create a sounder and safer financial system. The CRD IV Directive governs amongst other things the access to deposit-taking activities while the CRR establishes the majority of prudential requirements institutions need to respect. On 1 August 2014, the CRD IV Directive was implemented in Dutch law. The application in full of all measures under CRD IV (including any national implementation thereof in the Netherlands) will have to be completed before 1 January 2019. The CRR entered into effect on 1 January 2014 and has direct effect in the Netherlands.

CRD IV, in implementing Basel III, intends to increase the quality and quantity of capital, to require increased capital against derivative positions and to introduce a capital conservation buffer, a counter-cyclical buffer, a systemic buffer, a new liquidity framework (liquidity coverage ratio ("LCR") and a net stable funding ratio ("NSFR")) as well as a leverage ratio. The LCR addresses the sufficiency of high quality liquid assets to meet short-term liquidity needs under a specified acute stress scenario which may not fall below 100% of the estimated net cash outflows for the following 30 days. The NSFR requires that banks maintain a stable funding profile in relation to their on- and off-balance sheet activities, i.e., that long-term assets are covered with sufficient stable funding. The leverage ratio is defined as Tier-1 capital divided by a measure of non-risk weighed assets. The leverage ratio requirement will be phased in with initially a reporting period, a disclosure obligation as of 1 January 2015 and the migration to a binding harmonized requirement on 1 January 2018. If Basel III is followed under CRD IV, the leverage ratio will be 3%, but there is still uncertainty as to the exact size and implementation of the leverage ratio under CRD IV (and national implementation (if any)). With respect to the ratio, the Dutch government has announced that it wishes to implement a leverage ratio of at least 4% for - in any case - significant Dutch banks.

FMO cannot fully predict what impact the new rules and regulations will have on its business until the final rules are implemented and what the scope of these rules and regulations will be. Any new or changed regulations may adversely affect FMO's business and/or results of operations.

Under Basel III regulatory capital is lower compared to the previous year, which is caused by the introduction of the mandatory deduction of certain investments in financial entities, prudent valuation adjustments, stricter conditions for adding interim- and year-end profit into the regulatory capital base and the increased portfolio. Additional published Basel III regulations are monitored continuously.

Factors which are material for the purpose of assessing the market risks associated with the Notes

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus and any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets and market rates;
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investments and its ability to bear the applicable risks; and
- be aware that it may receive no interest.

The Issuer's obligations under the Notes are subordinated

The Issuer's obligations under the Notes will be unsecured and subordinated and will rank junior to the claims of Senior Creditors (as set out more fully in "Terms and Conditions of the Notes" herein). Although the Notes may pay a higher rate of interest than notes which are not subordinated, there is a real risk that an investor in the Notes will lose all or some of its investment should the Issuer become insolvent. See also "*Implemented and proposed banking legislation for ailing banks, including powers for regulators to write down debt*".

No limitation on issuing pari passu and senior securities

The Notes do not limit the Issuer's ability to incur additional indebtedness, including indebtedness that ranks senior in priority of payment to the Notes.

The issue of any such securities may reduce the amount recoverable by Holders on a liquidation of the Issuer. Accordingly, on a liquidation of the Issuer and after payment of the claims of senior creditors and of depositors, there may not be a sufficient amount to satisfy the amounts owing to the Holders.

Redemption at maturity

Subject to optional redemption by the Issuer, the Notes mature on 8 December 2025. Holders have no ability to require the Issuer to redeem their Notes unless an event of default occurs. The events of default, and Holders' rights following an event of default, are set out in Condition 8.

The Notes are subject to optional redemption by the Issuer prior to maturity

Subject to certain other conditions, if (a) as a result of a tax law change (i) FMO would be obliged to increase the amounts payable in respect of the Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Netherlands or any political subdivision thereof or any authority therein or thereof having power to tax or (ii) FMO would not be entitled to claim a deduction in respect of computing its taxation liabilities in the Netherlands for interest payments on the Notes, or such entitlement is materially reduced, or (b) there is a change in the regulatory classification of the Notes, either by a change in law or otherwise, that would be likely to result in their exclusion in full from own funds of FMO under applicable Regulatory Capital Rules, FMO may redeem all outstanding Notes in accordance with the Conditions.

In addition, the Notes are redeemable at FMO's option on the First Call Date. During any period when the Issuer may elect to redeem the Notes or the perceived likelihood of its ability to redeem is increased, the market value of the Notes will generally not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The interest rate on the Notes will reset on the First Call Date, which can be expected to affect the interest payment on an investment in the Notes and could affect the market value of Notes.

The Notes will initially earn interest at the Initial Interest Rate until (but excluding) the First Call Date. However, on the First Call Date the interest rate will be reset to a rate per annum equal to the sum of the Reset Reference Rate on the Reset Determination Date and the Margin (the "Reset Interest Rate"). The Reset Interest Rate could be less than the Initial Interest Rate and could affect the market value of an investment in the Notes.

Implemented and proposed banking legislation for ailing banks, including powers for regulators to write down debt

General background

The Dutch Act on special measures regarding financial undertakings (*Wet bijzondere maatregelen financiële ondernemingen* or *Interventiewet*, hereinafter the "Special Measures Financial Institutions Act") entered into effect on 13 June 2012. The Special Measures Financial Institutions Act has retroactive effect as of 20 January 2012 and forms part of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "DFSA").

Under the Special Measures Financial Institutions Act, substantial powers are granted to DNB and the Dutch Minister of Finance enabling them to deal with, *inter alia*, ailing Dutch banks with the aim to avoid their insolvency. The Special Measures Financial Institutions Act aims to empower DNB or the Minister of Finance, as applicable, to commence proceedings leading to: (i) the transfer of all or part of the business (including deposits) of the relevant bank to a private sector purchaser; (ii) the transfer of all or part of the business of the relevant bank to a 'bridge bank'; (iii) the transfer of the shares of the relevant bank to a 'bridge bank'; and (iv) public ownership (nationalization) of all or part of the relevant bank or of all or part of the shares of or other securities issued by the relevant bank. Subject to certain exceptions, as soon as any of these

proposed proceedings have been initiated by DNB or the Minister of Finance, as applicable, the relevant counterparties of such bank would not be entitled to invoke events of default or set off their claims against the bank.

The Minister of Finance may, after consultation with DNB, take immediate measures which may deviate from statutory provisions or from the articles of association of the institution concerned. Within the context of the resolution tools provided by the Special Measures Financial Institutions Act, holders of debt securities of a bank (including Noteholders) subject to resolution could be affected by issuer substitution or replacement, transfer of debt, expropriation, modification of terms and/or suspension or termination of listing of the Notes.

The Bank Recovery and Resolution Directive ("BRRD") was adopted by the European Council on 6 May 2014. Member States should have implemented the BRRD by 1 January 2015 (except for the bail-in tool which may be implemented by 1 January 2016). The BRRD has been implemented in Dutch law. The provisions of the Special Measures Financial Institutions Act forming part of the DFSA as applicable to banks have substantially been replaced by provisions implementing the BRRD.

On 10 July 2013, the European Commission proposed a regulation establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms (the "SRM Regulation") in a framework of a single resolution mechanism and a single bank resolution fund (such mechanism, the "SRM"). The SRM Regulation was adopted on 15 July 2014.

The SRM establishes a European single resolution board ("SRB") (consisting of representatives from the ECB, the European Commission and the relevant national authorities) that will manage (through the national resolution authorities or directly) the failing of any bank in the Euro-area and in other EU Member States participating in the European Banking Union.

Further, on 10 July 2013, the European Commission announced that it has adapted its temporary state aid rules for assessing public support to financial institutions during the crisis (the "Revised State Aid Guidelines"). The Revised State Aid Guidelines provide for strengthened burden-sharing requirements, which require banks with capital needs to obtain shareholders' and subordinated debt holders' contribution before resorting to public recapitalisations or asset protection measures. The European Commission has applied the principles set out in the new rules from 1 August 2013. In these guidelines, the European Commission has made it clear that any burden sharing imposed on subordinated debt holders will be made in line with principles and rules set out in the BRRD.

General Bail-in Tool

Given the entering into force of the BRRD or other resolution or recovery rules (such as the SRM Regulation and CRD IV) which may be applicable to FMO in the future, new powers will, and in the future may, be granted by way of statute to DNB and/or any other relevant authority such as the SRB (each, a "Relevant Authority") which could be used in such a way that could result in subordinated and/or senior debt instruments of FMO, including the Notes, absorbing losses by means of writing down debt (or converting such debt into equity) (the "Bail-in Tool").

Under the BRRD, the Relevant Authority has four resolution tools and powers which may be used alone or in combination: (i) sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation – which enables resolution authorities 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 together with another resolution tool only); and (iv) the Bail-in Tool.

Pursuant to the BRRD, the Relevant Authority is expected to be required to exercise the Bail-in Tool in a way that results in (i) Common Equity Tier 1 instruments being written down first, (ii) thereafter, the principal amount of other capital instruments (including first Additional Tier 1 instruments and then Tier 2 instruments) being written down or converted into Common Equity Tier 1 on a permanent basis and (iii) thereafter, other subordinated debt and then eligible liabilities being written down or converted in accordance with a set order of priority.

The Bail-in Tool may be utilised by the Relevant Authority if the Relevant Authority determines that an institution meets the conditions for resolution, defined as:

a) the institution is failing or likely to fail, which is deemed to be the case when: (i) it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; (ii) its assets are, or are likely in the near future to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (iv) it requires extraordinary public financial support (except in limited circumstances);

b) there is no reasonable prospect that a private action or supervisory action would prevent the failure; and

c) a resolution action is necessary in the public interest.

It is possible that, given the entering into effect of the Special Measures Financial Institutions Act and/or (the implementation legislation of) the BRRD or other resolution or recovery rules which may be applicable to FMO in the future (including, but not limited to, CRD IV), the Relevant Authority may use its powers under the new regime in a way that could result in subordinated and/or senior debt instruments of FMO, such as the Notes, absorbing losses.

Point of non-viability loss absorption

In addition to the general Bail-in Tool, the BRRD provides for resolution authorities to have the further power to permanently write-down capital instruments (such as the Notes) or convert these into equity at the point of non-viability and before any other resolution action is taken ("non-viability loss absorption"). Any shares issued to holders of the Notes upon any such conversion into equity may also be subject to any application of the general Bail-in Tool.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which the Relevant Authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution will no longer be viable unless the relevant capital instruments (such as the Notes) are written-down or converted or extraordinary public financial support is to be provided and without such support the appropriate authority determines that the institution would no longer be viable. As for extraordinary public financial support it is noted that, while FMO believes that the State Agreement and any aid it may receive thereunder from the State, as described in this Prospectus under "Description of the Issuer", does not currently constitute extraordinary public financial support within the meaning of the BRRD, there is no certainty on this, or that this will not change, and as a result on whether receipt of such aid may require the Relevant Authority to exercise write down or conversion powers with respect to the Notes. The State Agreement is subject to review every five years. During the life of the Notes, there is expected to be a review in 2019 and 2024. If substantial changes are made to the State Agreement at such reviews or otherwise this may affect the status of the aid granted under the State Agreement and as a result such aid may then constitute extraordinary public financial support within the meaning of the BRRD. Consequently, the Revised State Aid Guidelines may then also apply to the State Agreement and any aid FMO may receive thereunder from the State.

As a result of the exercise of any Bail-In Tool or non-viability loss absorption measures, the Notes could, in certain circumstances, become subject to a determination by the Relevant Authority that all or part of the

principal amount of the Notes, including accrued but unpaid interest in respect thereof, must be written off, converted into ordinary share capital or otherwise be applied to absorb losses. The rules and regulations giving effect to a Bail-In Tool or non-viability loss absorption measure may provide that such determination shall not constitute an event of default in respect of the Notes. As a consequence, the Noteholders will have no further claims in respect of any amount so written-off or otherwise as a result of such measure. As a consequence, a Noteholder could lose its entire claim on FMO resulting from the Notes.

Any determination that all or part of the principal amount of the Notes will be subject to a Bail-In Tool or non-viability loss absorption measure may be inherently unpredictable and may depend on a number of factors which may be outside FMO's control. Accordingly, trading behaviour in respect of the Notes if subject to a Bail-In Tool or non-viability loss absorption measure is not necessarily expected to follow trading behaviour associated with other types of securities. Any (perceived) indication that the Notes will become subject to a Bail-In Tool or non-viability loss absorption measure could have an adverse effect on the market price of the Notes. Potential investors should consider the risk that a Noteholder may lose all of its investment in the Notes, including the principal amount plus any accrued but unpaid interest, if such measures were to be taken.

The BRRD could negatively affect the position of the Noteholders and the credit rating attached to debt instruments then outstanding and could result in losses to Noteholders, in particular if and when any of the above proceedings would be commenced against FMO. These measures could increase FMO's cost of funding and thereby have an adverse impact on FMO's financial condition and results of operation. In addition, there could be amendments to the BRRD, which may add to these effects.

Pursuant to the BRRD, the banks are required to meet at all times a minimum amount of own funds (which includes Common Equity Tier 1 instruments, Additional Tier 1 instruments and Tier 2 instruments) and eligible liabilities (“MREL”) expressed as a percentage of the total liabilities and own funds. The Relevant Authority shall establish a level of minimum MREL on a bank-by-bank basis based on assessment criteria to be set out in technical regulatory standards. Differences in the application of the assessment criteria would result in similar banks facing different requirements and thus potentially different costs of financing their activities.

In summary, FMO is unable to predict what effects, if any, the Dutch law intervention powers, the BRRD and SRM Regulation may have on the financial system generally, FMO's counterparties, or on FMO, its operations and/or its financial condition or the Notes. The Special Measures Financial Institutions Act and/or the (implementation legislation of) the BRRD could also in other ways negatively affect the position of the Noteholders and the credit rating attached to the Notes, in particular if and when any of the above rescue proceedings would be commenced against FMO, since the application of any such new legislation may affect the rights and effective remedies of the Noteholders as well as the market value of the Notes. The rescue measures could increase FMO's cost of funding and thereby have an adverse impact on FMO's financial position and results of operation.

Modification and waiver

The Conditions contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders, including Holders who did not attend and/or vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

There is no active trading market for the Notes

The Notes will be new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general

economic conditions and the financial condition of FMO. Although application has been made for the Notes to be listed and admitted to trading on Euronext Amsterdam, there is no assurance that such application will be accepted, that the Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

Exchange rate risk and exchange controls

FMO will pay principal and interest on the Notes in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the “Investor's Currency”) other than euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls or may dispose of the Investor Currency. An appreciation in the value of the Investor's Currency relative to the euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate of the euro. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Credit rating risk

Credit or corporate ratings may not reflect all risks. One or more independent rating agencies may assign ratings to the Notes and/or FMO. The ratings may not reflect the potential impact of all risks related to structure, market, and other factors that may affect the value of the Notes or the standing of FMO. A credit rating and/or a corporate rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. In the event a rating, including any unsolicited rating, assigned to the Notes and/or FMO is lowered for any reason or is lower than expected, the market value of the Notes may be adversely affected, but no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with FMO

The Notes are represented by Global Notes (as defined below). Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Because the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by a Global Note, FMO will discharge its payment obligations by making payments via the Paying Agent (as defined herein) to the common depositary for Euroclear and Clearstream, Luxembourg, for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. FMO has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Change of law and jurisdiction

The conditions of the Notes are governed by Dutch law as in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Dutch law or administrative practice after the date of this Prospectus, including but not limited to, the introduction of, and changes to, taxes, levies or fees applicable to FMO's operations (such as the imposition of a financial transaction tax, as to which see further "Proposed Financial Transactions Tax"). Prospective investors should note that the courts of the Netherlands shall have jurisdiction in respect of any disputes involving the Notes. Noteholders may take any suit, action or proceedings arising out of or in connection with the Notes against FMO in any court of competent jurisdiction. The laws of the Netherlands may be materially different from the equivalent law in the home jurisdiction of prospective investors in its application to the Notes.

EU Savings Directive

EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**") requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or secured by such a person for the benefit of) an individual resident, or to (or secured for) certain other types of entity established, in that other EU Member State, except that Austria will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise.

A number of non-EU countries and territories and certain dependent or associated territories of certain EU Member States have adopted similar measures to the EU Savings Directive.

However, the Council of the European Union has adopted a Directive repealing the EU Savings Directive from 1 January 2016 (1 January 2017 in the case of Austria) (in each case subject to transitional arrangements). The recitals to the Directive also provide that EU Member States will not be required to implement Council Directive 2014/48/EU which would, if implemented, have amended the EU Savings Directive.

Prior to the repeal of the EU Savings Directive becoming effective, if a payment were to be made or collected through an EU Member State (or a county or territory that has provided for measures equivalent to those laid down by the EU Savings Directive) which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the EU Savings Directive, any law implementing or complying with, or introduced in order to conform to such Directive or agreements with the European Union providing for equivalent measures, neither the Issuer, nor the Guarantor, nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

The Issuer is required to maintain a Paying Agent with a specified office in an EU Member State that is not obliged to withhold or deduct tax pursuant to the EU Savings Directive or any law implementing or

complying with, or introduced in order to conform to such Directive. However, investors should be aware that any custodians or intermediaries through which they hold their interest in the Notes may nonetheless be obliged to withhold or deduct tax pursuant to such laws unless the investor meets certain conditions, including providing any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the EU Savings Directive.

Investors who are in any doubt as to their position or would like to know more should consult their professional advisers.

The proposed Financial Transaction Tax

On 14 February 2013, the European Commission adopted a proposal setting out the details of the financial transaction tax ("FTT"), which mirrors the scope of its original proposal of September 2011, to be levied on transactions in financial instruments by financial institutions if at least one of the parties to the transaction is located in the 'FTT-zone', currently limited to 11 participating Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain). The actual implementation date of the FTT remains unclear and depends on the future agreement of the participating Member States and consultation of EU institutions, and the subsequent transposition into local law. In addition, the FTT proposal may be the subject to continuing legal challenge. It may therefore be altered prior to any implementation, although it has been indicated the first steps will be implemented by 1 January 2016 at the latest. Given the lack of certainty surrounding the FTT proposal and its implementation, it is not possible to predict what effect the proposed FTT might have. Prospective holders of the Notes are therefore strongly advised to seek their own professional advice in relation to the FTT.

U.S. Foreign Account Tax Compliance Withholding

Whilst the Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems (see “Taxation – FATCA Withholding”). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. FMO’s obligations under the Notes are discharged once it has paid the common depositary for the clearing systems (as bearer holder of the Notes) and FMO has therefore no responsibility for any amount thereafter transmitted through hands of the clearing systems and custodians or intermediaries.

Documents Incorporated by Reference

This Prospectus should be read and construed in conjunction with the articles of association (*statuten*) of the Issuer in the Dutch and English language, the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2013 and 31 December 2014, respectively, together in each case with the independent auditor's reports thereon (as set out on pages 42 through 121 of the Issuer's 2013 annual report and pages 48 through 127 of the Issuer's 2014 annual report respectively), the unaudited condensed consolidated interim accounts 2015 of the Issuer for the financial half year ended 30 June 2015 with the independent auditor's review report thereon (as set out on pages 6 through 20 of the Issuer's interim report 2015), the portfolio information set out on pages 4 through 5 of the Issuer's interim report 2015, and the English translation of the State Agreement dated 16 November 1998 between the Issuer and the State (the "**State Agreement**") and the addendum thereto dated 9 October 2009, which have been previously published and which have been filed with the AFM. Such financial statements and audit reports (but not other parts of the annual reports) and interim accounts, review report, portfolio information (but save as expressly otherwise stated not other parts of the interim report) and the State Agreement as amended shall be incorporated in, and form part of, this Prospectus. Any description of the State Agreement or part thereof in this Prospectus is qualified by reference to the State Agreement as incorporated by reference in this Prospectus.

The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated herein by reference and any further prospectus or prospectus supplement prepared by the Issuer for the purpose of updating or amending any information contained herein or therein and, where appropriate, English translations of any or all such documents.

Written requests for such documents should be directed to the Issuer at its registered office set out at the end of this Prospectus. In addition, such documents will be available free of charge from the office of Banque Internationale à Luxembourg, société anonyme, 69, route d'Esch, L-2953 Luxembourg, Luxembourg in its capacity as Paying Agent (as defined herein).

The Prospectus and the documents incorporated by reference herein can also be found at the website https://www.fmo.nl/investor-relations. The contents of websites referenced in this Prospectus do not form part of this Prospectus.

Overview

The Overview below describes the principal terms of the Notes. The section of this Prospectus entitled "Terms and Conditions of the Notes" contains a more detailed description of the Notes. Capitalised terms used but not defined in this Overview shall bear the respective meanings ascribed to them in "Terms and Conditions of the Notes".

Issuer of the Notes	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. The commercial name of the Issuer is FMO.
Issue Size	€175,000,000
Maturity Date	8 December 2025
Issue Date	8 December 2015
Ranking	In the event of: (i) the dissolution (*ontbinding*) of the Issuer; (ii) the bankruptcy (*faillissement*) of the Issuer; or (iii) the emergency regulation (*noodregeling*) under Chapter 3.5.5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) having been declared applicable to the Issuer, the rights and claims of the Holders and the Couponholders against the Issuer in respect of or arising under (including any damages awarded for breach of any obligations under) the Notes and the Coupons relating to them will be subordinated to the claims of all Senior Creditors. Subject to applicable law, no Holder or Couponholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Notes or the Coupons and each Holder and Couponholder shall, by virtue of his holding of any Note or Coupon, be deemed to have waived all such rights of set-off, compensation or retention.
Interest	The Notes will bear interest (i) from (and including) the Issue Date to (but excluding) the First Call Date, at an interest rate of 1.500 per cent. per annum and (ii) from (and including) the First Call Date to (but excluding) the Maturity Date, at an interest rate per annum which shall be the Reset Reference Rate (as defined in "Terms and Conditions of the Notes") plus 1.400 per cent., in each case payable annually in arrear on each Interest Payment Date, as more fully described in Condition 4.
Interest Payment Dates	Interest will be payable on 8 December in each year, starting on (and including) 8 December 2016, subject to business day adjustments.
Optional Redemption	Subject to certain conditions, as more particularly referred to in Condition 5*(b)* of the Notes, the Issuer may elect to redeem all, but not some only, of the Notes on 8 December 2020 (the "**First Call Date**") at their principal amount together with any Outstanding Payments.
Redemption for Taxation Reasons	Subject to certain conditions, as more particularly referred to in Condition 5*(b)* of the Notes, if a Tax Event has occurred and is continuing, then the Issuer may redeem at any time all, but not some only, of the Notes at their principal amount, together with any Outstanding Payments.

Redemption for Regulatory Reasons	Subject to certain conditions, as more particularly referred to in Condition 5*(b)* of the Notes, if a Capital Disqualification Event has occurred and is continuing, then the Issuer may redeem at any time all, but not some only, of the Notes at their principal amount, together with any Outstanding Payments.
Withholding Tax and Additional Amounts	Notwithstanding Condition 5(*d*), the Issuer will pay such Additional Amounts as may be necessary in order that the net payment received by each Holder in respect of the Notes, after withholding for any taxes imposed by tax authorities in the Netherlands upon payments made by or on behalf of the Issuer in respect of the Notes, will equal the amount which would have been received in the absence of any such withholding taxes, subject to customary exceptions, as more particularly set out in Condition 7.
Events of Default	If any of the following events occurs and is continuing: (i) the Issuer is dissolved (*ontbinding*); (ii) the Issuer is declared bankrupt (*failliet verklaard*); or (iii) the emergency regulation (*noodregeling*) under Chapter 3.5.5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) is declared with respect to the Issuer, in each case when resulting in a liquidation (in the case of (iii) above, under section 3:163(1)(b) of the Dutch Financial Supervision Act), then any Note may, by notice in writing given to the Fiscal Agent at its specified office by the Holder, be declared immediately due and payable whereupon it shall, subject to consent from the Relevant Regulator if required, become immediately due and payable at its principal amount together with accrued interest without further formality unless such event of default shall have been remedied prior to the receipt of such notice by the Fiscal Agent.
Listing	Application has been made for the Notes to be listed and admitted to trading on Euronext Amsterdam's regulated market.
Governing Law	The Notes shall be governed by, and construed in accordance with, the laws of the Netherlands.
Form	The Notes will initially be represented by a Temporary Global Note which will be deposited with a common depositary on behalf of the Clearstream, Luxembourg and Euroclear systems. The Temporary Global Note will be exchangeable for interests in a Global Note upon certification as to non-U.S. beneficial ownership. The Global Note will be exchangeable for definitive Notes in bearer form in the circumstances set out in it.
Denomination	€100,000.
Clearing and Settlement	Euroclear and Clearstream, Luxembourg
Rating	The Notes have been rated AA+ by Fitch .
Security Codes	ISIN: XS1117279379 Common Code: 111727937
Joint Lead Managers and Joint Bookrunners	HSBC Bank plc J.P. Morgan Securities plc
Stabilising Manager	J.P. Morgan Securities plc

Fiscal Agent and Paying Agent and Agent Bank	Banque Internationale à Luxembourg, *société anonyme*
Subscription and Sale	The Notes are issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (the "**D Rules**")

Terms and Conditions of the Notes

The following, subject to alteration and except for paragraphs in italics, are the terms and conditions of the Notes substantially in the form in which they will be endorsed on each Note in definitive form (if issued).

The issue of the Notes was authorised by a resolution of the Management Board of the Company passed on 17 August 2015. A fiscal agency agreement dated 8 December 2015 (the "**Fiscal Agency Agreement**") has been entered into in relation to the Notes between the Issuer, Banque Internationale à Luxembourg, *société anonyme*, as fiscal agent and for the purpose of calculating the rate of interest payable on the Notes as agent bank, and the paying agents named in it. The fiscal agent, the agent bank and the paying agents for the time being are referred to below respectively as the "**Fiscal Agent**", the "**Agent Bank**" and the "**Paying Agents**" (which expression shall include the Fiscal Agent). The Fiscal Agency Agreement includes the form of the Notes and the coupons relating to them (the "**Coupons**"). Copies of the Fiscal Agency Agreement are available for inspection during normal business hours at the specified offices of the Paying Agents. The holders of the Notes (the "**Noteholders**" or "**Holders**") and the holders of the Coupons (whether or not attached to the relevant Notes) (the "**Couponholders**") are deemed to have notice of all the provisions of the Fiscal Agency Agreement applicable to them.

1 Form, Denomination and Title

(a) Form and Denomination

The Notes are serially numbered and in bearer form in the denomination of €100,000, each with Coupons attached on issue.

(b) Title

Title to the Notes and Coupons passes by delivery. The holder of any Note or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

2 Status

The Notes and Coupons constitute unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of the Holders and the Couponholders are subordinated as described in Condition 3.

3 Subordination

(a) General

In the event of:

(i) the dissolution (*ontbinding*) of the Issuer;

(ii) the bankruptcy (*faillissement*) of the Issuer; or

(iii) the emergency regulation (*noodregeling*) under Chapter 3.5.5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) having been declared applicable to the Issuer,

the rights and claims of the Holders and the Couponholders against the Issuer in respect of or arising under (including any damages awarded for breach of any obligations under) the Notes and the Coupons relating to them will be subordinated to the claims of all Senior Creditors.

(b) Set-off

Subject to applicable law, no Holder or Couponholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Notes or the Coupons and each Holder and Couponholder shall, by virtue of his holding of any Note or Coupon, be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder or Couponholder by the Issuer in respect of, or arising under or in connection with the Notes is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its dissolution, bankruptcy or liquidation, the liquidator of the Issuer) and, until such time as payment is made, shall hold a sum equal to such amount for and on behalf of the Issuer (or the liquidator of the Issuer (as the case may be)) and accordingly any such discharge shall be deemed not to have taken place.

4 Interest Payments

(a) Interest Rate

The Notes bear interest at the applicable Interest Rate from the Issue Date in accordance with the provisions of this Condition 4.

During the Initial Interest Period interest shall be payable on the Notes annually in arrear on each Interest Payment Date in equal instalments and shall amount to €1,500 per Calculation Amount (the "**Initial Interest Amount**"), and thereafter interest shall be payable on the Notes annually in arrear on each Interest Payment Date, in each case as provided in this Condition 4.

Where it is necessary to compute an amount of interest in respect of any Note for a period which is less than a complete Interest Period, the relevant day-count fraction shall be determined on the basis of a the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the product of (1) the actual number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last) and (2) the number of Interest Periods normally ending in any year.

(b) Interest Accrual

The Notes will cease to bear interest from (and including) the date of redemption thereof pursuant to Condition 5*(a)*, *(c), (d)* or *(e)*, unless, upon due presentation, payment and performance of all amounts and obligations due in respect of the Notes is not properly and duly made, in which event interest shall continue to accrue on the Notes until whichever is the earlier of (a) the day on which all sums due in respect of the relevant Notes have been paid, and (b) the day five days after the Fiscal Agent has received all sums due in respect of the relevant Notes up to that fifth day and notice to that effect has been given to the Holders in accordance with Condition 12. Interest in respect of any Note shall be calculated per Calculation Amount and shall, save as provided in Condition 4*(a)* in relation to equal instalments, be equal to the product of the Calculation Amount, the relevant Interest Rate and the day-count fraction as described in Condition 4*(a)* for the relevant period, rounding the resultant figure to the nearest cent (half a cent being rounded upwards). Where the denomination of a Note is more than the Calculation Amount, the amount of interest payable in respect of such Note, is the aggregate of the amounts (calculated as aforesaid) for each Calculation Amount comprising the denomination of the Note.

(c) Initial Interest Rate

For the Initial Interest Period, the Notes bear interest at the rate of 1.500 per cent. per annum (the "**Initial Interest Rate**").

(d) Reset Interest Rate

For the Reset Interest Period, the Notes will bear interest at a reset rate of interest (the "**Reset Interest Rate**"). The Reset Interest Rate in respect of each Interest Period commencing on or after the First Call Date will be determined by the Agent Bank on the Reset Determination Date as being a rate *per annum* equal to the sum of the Reset Reference Rate and the Margin.

(e) Determination of Reset Interest Rate and Calculation of Reset Interest Amounts

The Agent Bank will, as soon as practicable after 11:00 a.m. (Central European Time) on the Reset Determination Date, determine the Reset Interest Rate in respect of the Reset Interest Period and calculate the amount of interest payable in respect of a Calculation Amount on the Interest Payment Dates for Interest Periods falling in the Reset Interest Period (the "**Reset Interest Amounts**").

(f) Publication of Reset Interest Rate and Reset Interest Amounts

The Issuer shall cause notice of the Reset Interest Rate determined in accordance with this Condition 4 in respect of Interest Periods falling in the Reset Interest Period, the Reset Interest Amount per Calculation Amount and the relevant dates scheduled for payment to be given to the Fiscal Agent, any stock exchange on which the Notes are for the time being listed or admitted to trading and, in accordance with Condition 12, the Holders, in each case as soon as practicable after its determination but in any event not later than the fourth Business Day thereafter.

The Reset Interest Rate, the Reset Interest Amount and the dates scheduled for payment so notified may subsequently be amended without notice in the event of any extension or shortening of the relevant period in accordance with these Conditions.

(g) Agent Bank

With effect from the First Call Date, and so long as any Notes remain outstanding thereafter, the Issuer will maintain an Agent Bank provided above where the Reset Interest Rate is to be calculated by reference to them. The name of the initial Agent Bank and its initial specified office is set out at the end of these Conditions.

The Issuer may from time to time replace the Agent Bank with another leading investment, merchant or commercial bank or financial institution in London. If the Agent Bank is unable or unwilling to continue to act as the Agent Bank or fails duly to determine the Reset Interest Rate in respect of Interest Periods falling in the Reset Interest Period as provided in Condition 4*(d)* or calculate the Reset Interest Amount, the Issuer shall forthwith appoint another leading investment, merchant or commercial bank or financial institution in London to act as such in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed as aforesaid.

(h) Determinations of Agent Bank Binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Agent Bank (or its agent) shall (in the absence of wilful default, bad faith or manifest or proven error) be binding on the Issuer, the Agent Bank, the Paying Agents and all Holders and Couponholders and (in the absence as aforesaid)

no liability to the Holders, the Couponholders or the Issuer shall attach to the Agent Bank in connection with the exercise or non-exercise by them of any of their powers, duties and discretions.

5 Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their principal amount on 8 December 2025 (the "**Maturity Date**").

(b) Conditions to Redemption and Purchase

Any redemption or purchase of the Notes in accordance with Conditions 5*(c)*, *(d), (e)* or *(f)* is subject to Regulatory Capital Rules, including the Issuer receiving the consent of the Relevant Regulator under articles 77 and 78 of the CRR if at the relevant time such consent is required.

(c) Issuer's Call Option

Subject to Condition 5*(b)*, the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 12 and the Fiscal Agent, which notice shall be irrevocable, elect to redeem all, but not some only, of the Notes on the First Call Date at their principal amount together with any Outstanding Payments.

(d) Redemption for Taxation Reasons

If, immediately prior to the giving of the notice referred to below, a Tax Event has occurred and is continuing, then the Issuer may, subject to Condition 5*(b)* and having given not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 12 and the Fiscal Agent (which notice shall be irrevocable), redeem in accordance with these Conditions at any time all, but not some only, of the Notes at their principal amount, together with any Outstanding Payments. Prior to the publication of any notice of redemption pursuant to this Condition 5(d) the Issuer shall deliver to the Fiscal Agent a certificate signed by the Issuer, represented by at least one member of the executive board, and an opinion from a recognised tax adviser of international standing, stating that a Tax Event has occurred and is continuing as at the date of the certificate or opinion. Upon the expiry of such notice, the Issuer shall redeem the Notes.

(e) Redemption for Regulatory Reasons

If, immediately prior to the giving of the notice referred to below, a Capital Disqualification Event has occurred and is continuing, then the Issuer may, subject to Condition 5*(b)* and having given not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 12 and the Fiscal Agent (which notice shall be irrevocable), redeem in accordance with these Conditions at any time all, but not some only, of the Notes at their principal amount, together with any Outstanding Payments. Upon the expiry of such notice, the Issuer shall redeem the Notes.

(f) Purchases

The Issuer may, subject to Condition 5*(b)*, at any time (but before the First Call Date only if permitted under Regulatory Capital Rules) purchase or procure others to purchase beneficially for its account Notes in any manner and at any price. In each case, purchases will be made together with all unmatured Coupons.

(g) Cancellation

All Notes redeemed or substituted by the Issuer pursuant to this Condition 5 (together with all unmatured Coupons) will forthwith be cancelled. All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be held, reissued, resold or, at the option of the Issuer, surrendered for cancellation (together with all unmatured Coupons) to the Fiscal Agent. Notes so surrendered, shall be cancelled forthwith (together with all unmatured Coupons). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6 Payments

(a) Method of Payment

(i) Payments of principal and interest will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Notes or the appropriate Coupons (as the case may be) at the specified office of any of the Paying Agents except that payments of interest in respect of any period not ending on an Interest Payment Date will only be made against presentation and either surrender or endorsement (as appropriate) of the relevant Notes. Such payments will be made by transfer to an account in euro maintained by the payee with a bank in a city in which banks have access to the TARGET System.

(ii) Upon the due date for redemption of any Notes, each Note should be presented for redemption together with all unmatured Coupons relating to such Note, failing which the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than 5 years after the relevant payment of principal first became due.

(b) Payments Subject to Fiscal Laws

Without prejudice to the terms of Condition 7, all payments made in accordance with these Conditions shall be made subject to any fiscal or other laws and regulations applicable in the place of payment. No commissions or expenses shall be charged to the Holders or Couponholders in respect of such payments.

(c) Payments on Business Days

A Note or Coupon may only be presented for payment on a day which is a business day in the place of presentation and which is a TARGET Business Day. No further interest or other payment will be made as a consequence of the day on which the relevant Note or Coupon may be presented for payment under this paragraph falling after the due date. In this Condition, "**business day**" means a day on which commercial banks and foreign exchange markets are open in the relevant city.

7 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Netherlands or any political subdivision thereof or by any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the Issuer will pay such

additional amounts ("**Additional Amounts**") as will result in receipt by the Holders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Note or Coupon presented for payment:

(a) by or on behalf of a Holder or Couponholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the Netherlands other than a mere holding of such Note or Coupon;

(b) by, or by a third party on behalf of, a Holder or Couponholder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note or Coupon is presented for payment;

(c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive;

(d) by or on behalf of a Holder or a Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or

(e) more than 30 days after the Relevant Date except to the extent that the Holder or Couponholder thereof would have been entitled to such Additional Amounts on presenting the same for payment on the last day of such period of 30 days.

Notwithstanding any other provision of these Conditions, any amounts to be paid in respect of the Notes or the Coupons by or on behalf of the Issuer, will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

References in these Conditions to principal, Interest Payments, Accrued Interest Payments and/or any other amount in respect of interest shall be deemed to include any Additional Amounts which may become payable pursuant to the foregoing provisions.

8 Events of Default

If any of the following events occurs and is continuing:

(i) the Issuer is dissolved (*ontbinding*);

(ii) the Issuer is declared bankrupt (*failliet verklaard*); or

(iii) the emergency regulation (*noodregeling*) under Chapter 3.5.5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) is declared with respect to the Issuer,

in each case when resulting in a liquidation (in the case of (iii) above, under section 3:163(1)(b) of the Dutch Financial Supervision Act), then any Note may, by notice in writing given to the Fiscal Agent at its specified office by the Holder, be declared immediately due and payable whereupon it shall, subject to consent from the Relevant Regulator if required, become immediately due and payable at its principal amount together with accrued interest without further formality unless such event of default shall have been remedied prior to the receipt of such notice by the Fiscal Agent.

9 Prescription

Claims in respect of Notes and Coupons will become void unless presented for payment within a period of five years from the date on which such payment first becomes due.

10 Meetings of Holders and Modification

(a) **Meetings of Holders**: The Fiscal Agency Agreement contains provisions for convening meetings of Holders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by the Issuer or Holders holding not less than five per cent in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount of or interest on or to vary the method of calculating the rate of interest on the Notes, (iii) to change the currency of payment of the Notes or the Coupons, or (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be one or more persons holding or representing not less than two thirds, or at any adjourned meeting not less than one third, in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Fiscal Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) **Modification**: The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement, if to do so could not reasonably be expected to be materially prejudicial to the interests of the Noteholders. The Issuer and the Fiscal Agent may agree, without the consent of the Holders or Couponholders, to any modification of the Notes, the Coupons or the Fiscal Agency Agreement which is of a formal, minor or technical nature or to correct a manifest or proven error or to comply with mandatory provisions of the law of the Netherlands. Any such modification shall be subject to consent from the Relevant Regulator if required, and shall binding on the Holders and the Couponholders and be notified to the Holders in accordance with Condition 12 as soon as practicable thereafter.

11 Replacement of the Notes and Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent (or any other place of which notice shall have been given in accordance with Condition 12) subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require (provided that such requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes or Coupons must be surrendered before any replacement Notes or Coupons will be issued.

12 Notices

Notices to Holders will be valid if published in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*) and (so long as the Notes are listed on a stock exchange and the rules of that exchange so require) published in accordance with the requirements of that exchange. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Holders in accordance with this Condition.

13 Further Issues

The Issuer may from time to time without the consent of the Holders or the Couponholders create and issue further Notes ranking *pari passu* in all respects (or in all respects save for the date from which interest thereon accrues and the amount of the first payment of interest on such further Notes) and so that such further issue shall be consolidated and form a single series with the outstanding Notes.

14 Agents

The initial Paying Agents and their initial specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents, provided that it will:

(a) at all times maintain a Fiscal Agent;

(b) at all times maintain Paying Agents having specified offices in at least two major European cities;

(c) whenever a function expressed in these Conditions to be performed by the Agent Bank falls to be performed, appoint and (for so long as such function is required to be performed) maintain an Agent Bank; and

(d) at all times maintain a Paying Agent having a specified office in a major city in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 or any law implementing or complying with, or introduced to conform to such Directive.

Notice of any such termination or appointment and of any change in the specified offices of the Paying Agents will be given to the Holders in accordance with Condition 12. If any of the Agent Bank or the Fiscal Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Conditions or the Fiscal Agency Agreement (as the case may be), the Issuer shall appoint an independent financial institution to act as such in its place. All calculations and determinations made by the Agent Bank or the Fiscal Agent in relation to the Notes shall (save in the case of manifest error) be final and binding on the Issuer, the Paying Agents, the Holders and the Couponholders.

15 Governing Law and Jurisdiction

(a) **Governing Law**: The Fiscal Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of the Netherlands.

(b) **Jurisdiction**: The Issuer submits for the exclusive benefit of the Holders and the Couponholders to the jurisdiction of the court of first instance (*rechtbank*) of The Hague, the Netherlands, judging in first instance, and its appellate courts. Without prejudice to the foregoing, the Issuer further irrevocably agrees that any suit, action or proceedings arising out of or in connection with the Notes or the Coupons may be brought in any other court of competent jurisdiction.

16 Definitions

In these Conditions:

"**Accrued Interest Payment**" means, as at any given time, where these Conditions provide that interest shall continue to accrue after an Interest Payment Date in respect of a Note, the amount of interest accrued thereon at that time in accordance with Condition 4*(b)*;

"**Additional Amounts**" has the meaning given to it in Condition 7;

"**Agent Bank**" has the meaning given to it in the preamble to these Conditions;

"**Business Day**" means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are open for general business in London and, if on that day a payment is to be made, a day which is a TARGET Business Day also;

"**Calculation Amount**" means €100,000 in principal amount;

"**Capital Disqualification Event**" is deemed to have occurred if there is a change in the regulatory classification of the Notes that would be likely to result in their exclusion in full from own funds of the Issuer on a solo and/or consolidated basis under applicable Regulatory Capital Rules and the Relevant Regulator considers such a change to be sufficiently certain and is satisfied, upon demonstration by the Issuer, that the regulatory reclassification was not reasonably foreseeable on the Issue Date;

"**Conditions**" means these terms and conditions of the Notes, as amended from time to time;

"**Coupon**" has the meaning given to it in the preamble to these Conditions;

"**Couponholder**" has the meaning given to it in the preamble to these Conditions;

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (as may be amended from time to time);

"**€**" or "**euro**" means the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty of Rome establishing the European Communities as amended;

"**First Call Date**" means 8 December 2020;

"**Fiscal Agency Agreement**" has the meaning given to it in the preamble to these Conditions;

"**Fiscal Agent**" has the meaning given to it in the preamble to these Conditions;

"**Holder**" has the meaning given to it in the preamble to these Conditions;

"**Initial Interest Amount**" has the meaning given to it in Condition 4*(a)*;

"**Initial Interest Period**" means the period from (and including) the Issue Date to (but excluding) the First Call Date;

"**Initial Interest Rate**" has the meaning given to it in Condition 4*(c)*;

"**interest**" shall, where appropriate, include Interest Payments and Accrued Interest Payments;

"**Interest Payment**" means, in respect of a Coupon on an Interest Payment Date, the amount of interest payable on the presentation and surrender of such Coupon for the relevant Interest Period in accordance with Condition 4;

"**Interest Payment Date**" means 8 December in each year, starting on (and including) 8 December 2016, provided that if any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day, unless it would thereby fall in the next calendar month, in which event it shall be brought forward to the immediately preceding Business Day;

"**Interest Period**" means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

"**Interest Rate**" means the Initial Interest Rate and/or the Reset Interest Rate, as the case may be;

"**Issue Date**" means 8 December 2015, being the date of the initial issue of the Notes;

"**Issuer**" means Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.;

"**Margin**" means 1.400 per cent.;

"**Maturity Date**" has the meaning given to it in Condition 5*(a)*;

"**Noteholder**" has the meaning given to it in the preamble to these Conditions;

"**Notes**" has the meaning given to it in the preamble to these Conditions;

"**Outstanding**", in relation to any Interest Payment, means that such payment (a) has become due and payable; and (b) has not been satisfied and, in relation to any Accrued Interest Payment, means any amount thereof which has not been satisfied whether or not payment has become due;

"**Paying Agents**" has the meaning given to it in the preamble to these Conditions;

"**Payment**" means any Interest Payment or Accrued Interest Payment;

"**Relevant Regulator**" means the Dutch Central Bank (*De Nederlandsche Bank* or "**DNB**") or such other governmental authority having primary supervisory authority with respect to the Issuer;

"**Regulatory Capital Rules**" means any rules relating to capital for banks under applicable law as applied by the Relevant Regulator to the Issuer, including the CRD IV Directive 2013/36/EU and the CRR and any delegated or implementing acts, laws, regulations, regulatory technical standards, rules or guidelines as may be in effect in the Netherlands from time to time;

"**Relevant Date**" means the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Fiscal Agent on or prior to such date, the Relevant Date means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Holders in accordance with Condition 12;

"**Reset Determination Date**" means the second TARGET Business Day prior to the First Call Date;

"**Reset Interest Amounts**" has the meaning given to it in Condition 4*(e)*;

"**Reset Interest Period**" means the period from (and including) the First Call Date to (but excluding) the Maturity Date;

"**Reset Interest Rate**" has the meaning given to it in Condition 4*(d)*;

"**Reset Reference Rate**" means

in respect of the Reset Interest Period, (i) the applicable annual mid-swap rate for swap transactions in euro (with a maturity equal to 5 years) as displayed on the Screen Page at 11.00 a.m. (Central European Time) on the Reset Determination Date (which rate, if the relevant Interest Payment Dates are other than annual Interest Payment Dates, shall be adjusted by, and in the manner determined by, the Agent Bank) or (ii) if such rate is not displayed on the Screen Page at such time and date, the Reset Reference Bank Rate on the Reset Determination Date;

Where:

"**Mid-Swap Quotations**" means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed for floating interest rate swap transaction in euro which (i) has a term commencing on the First Call Date which is equal to 5 years; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis);

"**Reset Reference Bank Rate**" means the percentage rate determined on the basis of the Mid-Swap Quotations provided by the Reset Reference Banks to the Agent Bank at or around 11:00 a.m. (Central European Time) on the Reset Determination Date and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If at least four quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the rounded quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be determined by the Agent Bank in its sole discretion following consultation with the Issuer;

"**Screen Page**" means Reuters screen page "ISDAFIX2", or such other screen page as may replace it on Thomson Reuters or, as the case may be, on such other information service that may replace Thomson Reuters, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying comparable rates;

"**Senior Creditors**" means (a) unsubordinated depositors and other unsubordinated creditors of the Issuer and (b) creditors of the Issuer (other than those whose claims rank or are expressed to rank *pari passu* with, or junior to, the claims of Holders) whose claims are or are expressed to be subordinated to the claims of other, unsubordinated creditors of the Issuer;

"**TARGET Business Day**" means a day on which the TARGET System is operating;

"**TARGET System**" means the Trans European Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto);

"**Tax Event**" is deemed to have occurred if:

(i) as a result of a Tax Law Change, in making any payments on the Notes, the Issuer has paid or will or would on the next payment date be required to pay Additional Amounts on the Notes and the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it; or

(ii) as a result of a Tax Law Change in respect of the Issuer's obligation to make any Interest Payment on the next following Interest Payment Date, the Issuer would not be entitled to claim a deduction in respect of computing its taxation liabilities in the Netherlands, or such entitlement is materially reduced, and the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it;

provided the Issuer demonstrates to the satisfaction of the Relevant Regulator that the change in the applicable tax treatment of the Notes is material and was not reasonable foreseeable at the Issue Date;

"**Tax Law Change**" means a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of the Netherlands or any political subdivision or authority therein or thereof having the power to tax, including any treaty to which the Netherlands is a party, or any change in the application or official interpretation of such laws, including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written statements made by a tax authority regarding the anticipated tax treatment of the Notes.

Summary of Provisions relating to the Notes while in Global Form

The Fiscal Agency Agreement, the Temporary Global Note and the Global Note contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this document. The following is a summary of certain of those provisions:

1 Exchange

The Temporary Global Note is exchangeable in whole or in part for interests in the Global Note on or after a date which is expected to be 18 January 2016, upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Note. The Global Note is exchangeable in whole but not, except as provided in the next paragraph, in part (free of charge to the holder) for the Definitive Notes described below (i) if the Global Note is held on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or (ii) if principal in respect of any Notes is not paid when due and payable. Thereupon, the holder may give notice to the Fiscal Agent of its intention to exchange the Global Note for Definitive Notes on or after the Exchange Date specified in the notice.

If principal in respect of any Notes is not paid when due and payable the holder of the Global Note may, by notice to the Fiscal Agent (which may but need not be the default notice referred to in "– Default" below), require the exchange of a specified principal amount of the Global Note (which may be equal to or (provided that, if the Global Note is held by or on behalf of a clearing system, that clearing system agrees) less than the outstanding principal amount of Notes represented thereby) for Definitive Notes on or after the Exchange Date (as defined below) specified in such notice.

On or after any Exchange Date the holder of the Global Note may surrender the Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for the Global Note, or on endorsement in respect of the part thereof to be exchanged, the Issuer shall deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 1 to the Fiscal Agency Agreement. On exchange in full of the Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with any relevant Definitive Notes.

"Exchange Date" means a day falling not less than 60 days or, in the case of exchange pursuant to (ii) above, 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (i) above, in the cities in which the relevant clearing system is located.

2 Payments

No payment will be made on the Temporary Global Note unless exchange for an interest in the Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by the Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of the Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 7(c) will apply to the Definitive Notes only. For the purpose of any payments made in respect of a Global Note, Condition 6(c) (*Payments on business days*) shall not apply, and all such payments shall be made on a day on which commercial banks and foreign exchange markets are open in the financial centre of the currency of the Notes.

3 Notices

So long as the Notes are represented by the Global Note and the Global Note is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions except that, so long as the Notes are listed on a stock exchange and the rules of that exchange so require, notices shall also be published in accordance with the requirements of that exchange.

4 Purchase and Cancellation

Cancellation of any Note required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Global Note.

5 Default

The Global Note provides that the holder may cause the Global Note or a portion of it to become due and payable in the circumstances described in Condition 8 by stating in the notice to the Fiscal Agent the principal amount of Notes which is being declared due and payable. If principal in respect of any Note is not paid when due and payable, the holder of the Global Note may elect that the Global Note becomes void as to a specified portion and that the persons entitled to such portion, as accountholders with a clearing system, acquire direct enforcement rights against the Issuer under further provisions of the Global Note.

6 Electronic Consent and Written Resolution

While any Global Note is held on behalf of a relevant Clearing System, then:

(a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant Clearing System(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Fiscal Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Fiscal Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing system with entitlements to such Global Note and/or, (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified

together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

Description of the Issuer

Incorporation

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (the "**Issuer**" or "**FMO**") was incorporated as a public company with limited liability (*naamloze vennootschap*) in the Netherlands on 8 July 1970. The Issuer's registered office is at Anna van Saksenlaan 71, 2593 HW The Hague, the Netherlands. The Issuer is registered in the commercial register (*handelsregister*) of the Netherlands Chamber of Commerce, under number 27078545. The general telephone number of FMO is +31 70 3149696. The commercial name of the Issuer is FMO.

The Issuer's articles of association (*statuten*) were lastly amended by notarial deed executed on 19 August 2009, before Drs. C.J. Groffen, civil law notary in Amsterdam, the draft of these articles having received the approval of the Ministry of Justice under number N.V. 107 045.

The Issuer was established by the State of the Netherlands (the "**State**"), several Dutch companies and several Dutch trade unions in accordance with and pursuant to the Law of 1 May 1970 on Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (*Staatsblad* 237, 1970).

FMO's mission

FMO finances entrepreneurs from developing countries because it believes a thriving private sector fuels economic and social progress. Entrepreneurship is the key to creating sustainable economic growth and improving people's living standards. FMO invests in companies, financial institutions and projects with capital and knowledge, ambitious entrepreneurs who care about social returns and protecting the environment alongside financial success, because FMO is convinced they can serve as engines of sustainable growth in their countries. FMO creates impact through (i) inclusive development, (ii) green development, (iii) economic growth and (iv) sharing FMO's knowledge and networks. FMO's business is fuelled by a vision that it shares with the World Business Council for Sustainable Development: a world in 2050 in which nine billion people live well and within the boundaries of the planet. Within this vision, FMO's mission is to empower entrepreneurs to build a better world.

Share capital

The Issuer has an authorised share capital of EUR 45,380,000 divided into 1,020,000 Class A Shares of nominal value EUR 22.69 each (the "**A Shares**") and 980,000 Class B Shares of nominal value EUR 22.69 each (the "**B Shares**"). The A Shares may only be issued to and owned by the State.

The issued and fully paid share capital amounts to EUR 9,076,000 and comprises 204,000 A Shares and 196,000 B Shares. Each A Share and each B Share carries the right to cast one vote at any general meeting of shareholders (the "**General Meeting**") of the Issuer. The issue of shares is resolved upon by the General Meeting pursuant to a proposal from the Management Board, made with the approval of the Supervisory Board, without prejudice to article 2:96 of the Dutch Civil Code.

Shareholders' equity	**2014**	**2013**
Share capital	9,076	9,076
Share premium reserve	29,272	29,272
Contractual reserve	1,140,363	1,020,547
Development fund	657,981	657,981

Available for sale reserve	267,119	215,889
Translation reserve	859	-644
Other reserves	28,330	25,540
Undistributed profit	4,560	5,296
Total shareholders' equity	2,137,560	1,962,957

Objects

The principal object of the Issuer, as set forth in Clause 3 in its articles of association, is to make a contribution to the advancement of productive enterprise in developing countries in order to stimulate their economic and social progress, in accordance with the aims pursued by their governments and with the policy of the Dutch government in regard to development aid.

The Issuer has the corporate power and capacity to issue Notes under the Programme and to enter into the agreements referred to in this Prospectus in connection with the Programme.

Ownership and corporate structure

As at the date of this Prospectus, the Issuer's shares are held as set out below:

Shareholder	**Share %**
The State	51
Commercial Dutch banks (such as ABN AMRO, Rabobank, ING, etc.)	42
Others (incl. a Dutch union, representatives of the private sector and certain private individuals)	7

The Issuer is a large company (*structuurvennootschap*) as set forth in article 2:153 of the Dutch Civil Code, which, *inter alia*, implies that the Issuer's managing directors (*bestuurders*) are appointed by its Supervisory Board. The Supervisory Board of the Issuer normally consists of six members. Currently there is one vacancy. Pursuant to the articles of association all members of the Supervisory Board are appointed by the General Meeting.

Activities

The Issuer is a development bank based in the Netherlands with total assets of EUR 7,087,644,000 as of 31 December 2014, and operates through its office in The Hague. As of 31 December 2014 the Issuer employed 362 people (full time equivalent).

The Issuer's core business comprises providing long-term financing to private companies in the Agribusiness and Energy sectors and financial institutions in Asia, Latin America, Africa and other developing regions. The Issuer makes use of financial products such as loans and equity investments as well as a non-financial product, knowledge transfer. The Issuer's lending and guarantee operations include project finance, corporate loans and lines of credit to financial institutions.

The Issuer invests, *inter alia*, both directly and through managed investment funds, in common and preference shares, subordinated loans with equity options or other sweeteners, and other quasi-equity instruments such as mezzanine financing, whether redeemable or not and whether covered by put-options or not. On average over the financial years 2012, 2013 and 2014, FMO has contracted about EUR 1,500,000,000

in new commitments, in addition to commitments of State funds, with an average committed amount of approximately EUR 12 million per investment. The majority of these deals are in our specialization sectors.

Other activities of the Issuer include financing small-scale enterprises, providing seed capital to newly formed companies mainly in Africa, financing infrastructure projects in least developed countries, encouraging foreign direct investments and financial investment promotion and capacity development of private sector companies in developing countries. Such other activities are performed by the Issuer for the account of the State and are based on agreements with the State.

These activities enable the Issuer to take on additional portfolio and sector-level risk in some cases. In others, such as in relation to capacity development activities, company-level risks are reduced by coupling institution building to the Issuer's core business clients. The client is better served by the Issuer's ability to apply synergetic combinations of these State-supported and the Issuer's primary activities. The capacity development-programme enables targeted access to know-how, bundled to meet a company's full organizational needs. The program is FMO-managed and financed by the Dutch Ministry for Development Cooperation. In 2013, FMO established an investment advisory and management function which operates under the name FMO Investment Management ("**FIM**"). FIM is an investment advisor to a recently established debt fund that participates in loans provided to financial institutions serving small and medium sized enterprises in developing countries. To support fund management activities, FIM implemented a new system for administration of funds that it will be managing for third parties. FIM also applied for a Markets in Financial Instruments Directive ("**MiFID**") license application, which licence was granted on 17 September 2015.

Through its syndicated loan- or B loan-program the Issuer pools financial resources from multiple partners to attract the required funding on a non-recourse basis. Under this program, other financial institutions provide part of the funds for a loan and bear their *pro rata* share of the risks, but the Issuer serves as a lender of record for the entire loan. The participating banks can benefit from the political protection and fiscal benefits arising from the Issuer's status as a bilateral international financing institution.

FMO continues to pursue increasingly effective approaches that strengthen partnerships with key stakeholders by offering innovative solutions for our clients and create worldwide partnerships to serve clients with local knowledge combined with FMO's entrepreneurial spirit.

Strategy

FMO's strategy is to empower entrepreneurs to build a better world and to become the leading impact investor by doubling impact and halving footprint by 2020. FMO aims to double impact by investing in more companies that create jobs, whilst halving footprint by investing in more companies that reduce greenhouse gas (GHG) emissions.

Markets

FMO's main markets are: Financial Institutions, Energy and Agribusiness.

Financial Institutions

Accessible finance is a cornerstone for viable economies and strong private sectors. A healthy financial sector can bolster entrepreneurs and individuals alike.

FMO focuses on financial institutions with long-term goals that can boost their markets and communities by creating access to financial services. FMO tailors its products to its clients' needs – financing all forms of financial institutions at all stages of development. FMO's products and services cover the long-term as well as short-term, incorporating local-currencies when possible to avoid mismatches.

FMO also supports financial institutions in reaching international best practices, for example, in asset liability management, risk management, product development, environmental risk management and implementation of client protection principles.

Energy

Financing energy projects is a major priority of our strategy. FMO focuses on the full chain from exploration and transportation to generation and distribution, with a strong emphasis on renewable energy. In middle-income countries, FMO invests in sustainable energy. In low-income countries, FMO invests in energy projects that enable new access to energy, with a preference for sustainable solutions. For developing countries, access to reliable and affordable energy is essential for economic and social progress.

Energy is crucial for running businesses, institutions and households alike. Without alternatives, fragile fossil fuels such as oil, coal and gas continue to be depleted. And natural disasters from climate change are more frequent and devastating – putting even more pressure on resources.

FMO finances long-term projects that can fuel economies, open gateways to access, clear the way for low-carbon systems and safeguard energy supplies.

Agribusiness

Achieving long-term sustainability in global agribusiness production requires large investments targeted at improving farming practices, increasing yields and reducing waste. Food security and access to affordable nourishment are crucial in developing countries.

A surging global population demands long-term accessibility to affordable food. FMO finances sustainable agribusiness companies throughout the value chain, including farming, processing and distribution operations.

Dutch business

During 2014, FMO intensified the dialogue with Dutch parties to discuss how Dutch companies can be supported in doing business in developing countries. Promising new opportunities were found in the areas of climate and export finance. FMO also continued talks with the Dutch Ministries of Finance and Foreign Affairs about ways to provide export finance to and support project development by Dutch companies investing in developing countries. In that context FMO became a member of the Dutch *'Rijkscommissie voor export-, import- en investeringsgaranties'*. The members of this body discuss and bring forward solutions to (inter)national developments and issues in the field of export credit insurance, finance and reinsurance.

State Agreement

The long-term commitment of the State to the Issuer and the State's strong financial backing of the Issuer is set out in the State Agreement. On 9 October 2009 an addendum to the State Agreement was signed, mainly relating to the information flow to the government in their role as counterparty to the State Agreement.

The State Agreement was entered into for an indefinite period and may be cancelled by either party with effect from 1 January in any year, but subject to a twelve-year notice period. During such notice period the State Agreement remains in full force and effect. The Issuer states that neither the Issuer nor the State has cancelled the State Agreement and that it does not expect cancellation of the State Agreement in the foreseeable future.

Pursuant to the State Agreement, the State has agreed to provide financial support to the Issuer, including yearly contributions to the Issuer's development fund of EUR 37,260,000. The yearly contributions of the State were made available by the State as holder of the A Shares and were added to the Issuer's equity.

The development fund reached a total capital of EUR 657,981,000 on 1 January 2005. The State Agreement does not provide for further budget allocation after 2005 and hence no contributions have been made after 2005.

The purpose of the State Agreement is to ensure that FMO will be able to conduct its business which is described in more detail in the State Agreement and FMO's articles of association. To this extent, article 4 of the State Agreement provides, translated into English, that:

'To enable FMO to conduct its business in accordance with Article 1 of this Agreement and its objects as set forth in article 2 of its Articles of Association, the State agrees to provide FMO with funds as hereinafter specified in articles 5-8.'

To this extent, the State Agreement is also aimed at providing financial support so that no situations arise in which FMO is unable to meet certain of its commitments on time. The State's undertaking to provide financial support and the types of commitments are described in more detail in article 8 of the State Agreement, which is translated into English as follows:

'Without prejudice to other provisions in this Agreement, the State shall prevent situations arising in which FMO is unable to meet the following (comprehensively enumerated) commitments on time. FMO's commitments in respect of

(i) loans raised in the capital markets;

(ii) short term funds raised on the money market with maturities of two years or less;

(iii) swap agreements involving the exchange of principal and interest;

(iv) swap agreements not involving the exchange of principal, but with interest payments;

(v) foreign exchange forward contracts and Forward Rate Agreements (FRAs);

(vi) options and futures contracts;

(vii) combinations of the products referred to under (i) to (vi);

(viii) guarantees given by FMO to third parties in respect of the financing of private companies in developing countries; and

(ix) commitments relating to the maintenance of an adequate organization.'

The Notes fall within the scope of the above mentioned article of the State Agreement.

In connection with the said undertaking of the State, it is agreed that the Issuer will provide the Minister of Finance with information necessary to exercise effective supervision of the Issuer's activities and financial position. Pursuant to article 10 of the State Agreement, the State cannot suspend its obligations under article 8.

The State Agreement provides for an evaluation of the State Agreement every five years from the date of the State Agreement. Translated into English, article 11 provides that:

'The State and FMO shall evaluate this Agreement or cause it to be evaluated each time with the lapse of five years from the date of signature of this Agreement. Any proposed changes to parts of this Agreement which may arise from such evaluations shall be taken into consideration by the State and FMO, but they shall be under no obligation to consent to them.'

Under Dutch law, the Issuer has no obligation to accept any proposal or offer form amendments to the State Agreement following an evaluation. The most recent five-yearly evaluation was commenced in 2013 and was completed in the first quarter of 2014.

Bank Status

On 3 March 2014, DNB granted a full banking license to FMO pursuant to article 2:12 of the DFSA. Since this date, FMO may also attract repayable funds from the public, including the issuance of Notes to retail investors (but excluding funds to which the deposit guarantee scheme (*depositogarantiestelsel*) applies, unless prior approval has been obtained from DNB). Prior to obtaining a full banking license, FMO was authorised by DNB, pursuant to Article 3:4 subsection 1 of the DFSA, to pursue the business of a voluntary bank in the Netherlands.

As a bank, FMO must ensure that its processes comply with applicable regulatory requirements. FMO is submitted to the formal supervision of DNB, and complies with the internationally accepted standards of the BIS (Bank for International Settlements) and other banking requirements. As of 4 November 2014, FMO is subject to indirect supervision by the ECB, in that capacity the ECB may give instructions to DNB in respect of FMO or even assume direct supervision over the prudential aspects of FMO's business.

Since obtaining a full banking license, paragraph 3.5.5 of the DFSA (*noodregeling*), dealing with emergency measures with respect to liquidity and solvency, also applies to FMO.

Management

Supervisory Board

Prof. Dr. J.M.G. Frijns Chairman[1, 2]	Mrs. Drs. A.E.J.M. Schaapveld MA[1]	Prof. Dr. Ir. P. Vellinga[1]
Prof. Dr. Ir. A. Bruggink[1]	Mrs. Drs. A.M. Jongerius[2]	*Vacancy*[2]

Management Board

Drs. N.D. Kleiterp	Drs. J. Rigterink	Mrs. L.G. Broekhuizen
Chief Executive Officer	Chief Risk & Finance Officer	Chief Investment Officer

[1] Member of the Audit and Risk Committee
[2] Member of the Selection, Appointment and Remuneration Committee

Management Board

The chosen address of the Issuer's Management Board is Anna van Saksenlaan 71, 2593 HW The Hague, the Netherlands.

Nanno Kleiterp, Chief Executive Officer

Nanno Kleiterp was appointed as Chief Executive Officer and Chairman of the Management Board in 2008. Before that, he was responsible for FMO's risk-bearing profile as Chief Investment Officer from 2000. From 1987–2000, he held a number of positions within FMO, including manager Small- and Medium-sized Enterprises, regional manager Latin America and Chief Finance Officer. Prior to joining FMO, he gained extensive experience in private-sector development while working in Nicaragua, Mexico and Peru.

Jurgen Rigterink, Chief Risk & Finance Officer

Jurgen Rigterink was appointed as Chief Risk & Finance Officer (CRFO) as of 1 January 2014. Prior to being appointed as CRFO, Jurgen served as FMO's Chief Investment Officer. He started his career at Bank Brussels Lambert working in Brussels, Chicago and New York before joining ABN AMRO in 1997. He has since served in a variety of senior positions including sector head for Central & Eastern Europe, Middle East and Africa. In 2005, he was appointed chairman of the management board and country executive at ABN AMRO Bank Kazakhstan, the leading foreign financial institution in the country, offering investment and commercial banking services, as well as, focused retail products. He is also a member of the supervisory board of the Royal Tropical Institute (KIT).

Linda Broekhuizen, Chief Investment Officer

Linda Broekhuizen was appointed as Chief Investment Officer (CIO) as of 1 January 2014. She joined FMO in 2000. Prior to being appointed as CIO, Linda served as FMO's Director Financial Institutions, Manager of the Agribusiness, Food & Water department and Manager Sustainability Development. She is also a member of the supervisory board of the Netherlands Council for Trade promotion (*Nederlands Centrum voor Handelsbevordering*).

Potential Conflicts of Interest Management Board

None of the members of the Management Board performs principal activities outside the Issuer which are significant for the Issuer. There are no potential conflicting interests between any of the duties of the members of the Management Board to the Issuer and their respective private interests or other duties.

The members of the Management Board avoid any form and semblance of conflicting interests in the performance of their duties. The regulations of the Management Board contain a provision that each member of the Management Board, who is confronted with a (potential) conflict of interest that is of material importance to FMO, must report any such instance to the Chairman of the Supervisory Board and the other members of the Management Board. A member of the Management Board who is involved in a conflict of interest provides the Chairman of the Supervisory Board and the other members of the Management Board with all the relevant information. The question whether or not there is a conflict of interest will be decided by the Supervisory Board in the absence of the Management Board member in question. The relevant member of the Management Board will not take part in the deliberations or the decision-making regarding that matter. Decisions to enter into transactions involving (potential) conflicts of interest of members of the Management Board require the approval of the Supervisory Board. In case of a potential conflict of interest the relevant transactions will be disclosed in the annual report.

Supervisory Board

The chosen address of the Issuer's Supervisory Board is Anna van Saksenlaan 71, 2593 HW The Hague, the Netherlands.

At the annual General Meeting held on 14 May 2014, Rein Willems stepped down as Supervisory Board member after eight years of service. The Supervisory Board of the Issuer normally consists of six members. Because of the resignation of Rein Willems there is currently one vacancy. The Supervisory Board is actively seeking a suitable successor - so far without success - and is especially keen for a candidate with an entrepreneurial or business background, given the importance of close ties with the Dutch business community. The appointment of any candidate by the General Meeting is subject to approval by DNB.

Jean Frijns, Chairman

Jean Frijns is chairman of the supervisory board of Delta Lloyd N.V., vice president of the supervisory board of Kas Bank N.V. He is also a member of the board of directors of JPMorgan SICAV Funds and JPMorgan

Special Funds, Luxembourg. Until 2012 he served as part-time professor at the faculty of Economics and Business Administration at the VU University Amsterdam. From 2004 to 2009 he was chairman of the monitoring committee for recommendations on the Dutch Corporate Governance Code. Until 2005, he was chief executive officer of the investment department of the pension fund for employers and employees in service of the Dutch government, ABP.

Bert Bruggink, member

Bert Bruggink is the former Chief Financial Risk Officer and member of the executive board at Rabobank Nederland. He has worked in several positions at Rabobank since 1986. He has been actively involved with the University of Twente since 1986. He first served as an employee in the Financial Management and Business Economics Department of the Technical Business Administration faculty of the University of Twente. He has filled the position of full professor since early 1996. He also holds a position as Supervisory Board Member of Robeco Groep N.V.

Agnes Jongerius, member

Agnes Jongerius currently holds a research position at the University of Utrecht. She also holds a position as Supervisory Board member of PostNL N.V. Based on the outcome of the elections for the European Parliament, she is to become a member of the European Parliament. Until 2012 she was vice chairwoman for the International Trade Union Confederation (FNV) and vice chairwoman of the Dutch Social Economic Council (SER).

Alexandra Schaapveld, member

Alexandra Schaapveld holds a number of non-executive board positions. She is presently member of the supervisory board of Société Générale, France, non-executive director of Bumi Armada Berhad, Malaysia, member of the Supervisory Board of Vallourec S.A., France and of Holland Casino N.V., and member of the Advisory Board of Plan Nederland (an NPO). She joined ABN AMRO Bank in 1984. She was involved in Corporate Banking and subsequently in Investment Banking, Equity Capital Markets and Mergers and Acquisitions. In 2001, she was appointed Senior Executive Vice President responsible for Sector Expertise and in 2004 became Head of the Business Unit Global Clients and Investment Banking. After the acquisition of ABN AMRO by a consortium of banks, she became head of Europe for Royal Bank of Scotland, which position she held until 2008.

Pier Vellinga, member

Pier Vellinga is the chairman of National Research Program on Climate Change, which supports the Dutch government and companies with operational knowledge required for investment decisions related to climate change, climate variability and spatial planning. He holds a position at Wageningen University (WUR) and at the Vrije Universiteit in Amsterdam. He is chairman of the board of the Royal Netherlands Institute for Marine Research (KNIOZ) on Texel. He is co-founder and board member of URGENDA, the national platform for the promotion of sustainability in business practices.

Potential Conflicts of Interest Supervisory Board

Before Mrs. Drs. A.E.J.M. Schaapveld MA was appointed as member of the Supervisory Board of FMO, she had already invested in a client of FMO and she is member of the Investment Committee and Board of Directors of this client. As a condition of her appointment to the Supervisory Board, DNB has set certain requirements to mitigate the risk of any conflict of interest arising in respect of this client. FMO complies fully with these requirements. Other than this, there are no potential conflicting interests between any of the duties of the members of the Supervisory Board to the Issuer and their respective private interests or other duties.

The Dutch corporate governance code (commonly referred to as the *Code Frijns* after its former chairman and as described in more detail below under *'Dutch Corporate Governance Code'*), to which the Issuer voluntarily adheres, requires that any conflict of interest or apparent conflict of interest between a company and supervisory board members shall be avoided. Decisions to enter into transactions involving conflicts of interest of Supervisory Board members that are of material significance to the Issuer and/or the relevant Supervisory Board members require the approval of the Supervisory Board. Transactions involving a conflict of interest that are of material significance to the Issuer and/or the relevant Supervisory Board members will be disclosed in the annual report.

The regulations of the Supervisory Board contain a provision that a Supervisory Board member who is confronted with a potential conflict of interest must report any such instance immediately to the Chairman of the Supervisory Board and provide the Chairman of the Supervisory Board with all the relevant information. It is stipulated that the Supervisory Board member in question will not take part in the deliberations or decision-making regarding the matter. In 2010, Prof. Dr. Ir. A. Bruggink did not participate in the discussion and decision-making process in respect of a contemplated transaction with Rabobank Nederland. The contemplated transaction did not materialize.

Audit and Risk Committee

As of 14 May 2012, the Audit and Risk Committee comprises Bert Bruggink (Chairman), Jean Frijns, Alexandra Schaapveld and Pier Vellinga.

The Audit and Risk Committee monitors economic capital issues, in line with Basel guidelines. It reviews and advises on FMO's financial position, operational risks and reporting, corporate governance relating to financials and processes, including compliance, internal and external control, and audit reports.

General Meeting

The annual General Meeting is held within six months after the end of the financial year. The General Meeting is notified by the Supervisory Board of any proposed appointment to the Management Board, adopts the financial statements, determines the allocation of profits, grants discharge to the members of the Management Board and Supervisory Board, fills vacancies and appoints the auditors of the Issuer. Insofar as the articles of association do not prescribe a larger majority, resolutions of the General Meeting will be adopted by an absolute majority of the votes cast.

Dividend

The provision and the appropriation of the net profit is based upon the articles of association and the State Agreement.

The General Meeting will determine which portion of the result of a financial year is reserved or in which way a loss will be incorporated, as well as the appropriation of the remaining profit, with regard to which the Supervisory Board and the Management Board can make a non-binding proposal in accordance with the provision and dividend policy adopted by the General Meeting, taking into account the relevant provisions in the State Agreement.

Structure, Policy and Compliance

FMO is a company with a two-tier board consisting of the Management Board and the Supervisory Board, within the meaning of article 2:153 of the Dutch Civil Code. Among other implications, this means that members of the Supervisory Board will be appointed by the General Meeting at the nomination of the Supervisory Board. With respect to a third of the members of the Supervisory Board, the Supervisory Board is in principle required to nominate the individual recommended by the Works Council. The Dutch Civil Code also states that the financial statements will be adopted by the General Meeting.

Dutch Corporate Governance Code

On 9 December 2003, the Dutch Corporate Governance Committee released the Dutch Corporate Governance Code which was subsequently updated effective as per 1 January 2009 (the "**Code**"). The Code contains 22 principles and 128 best practice provisions for a managing board, supervisory boards, shareholders and general meetings of shareholders, financial reporting, auditing, disclosure, compliance with and enforcement of the Code.

Dutch companies admitted to trading on a European regulated market or a non-European stock exchange that is comparable to a European regulated market are required under Dutch law to disclose in their annual reports whether or not they apply the provisions of the Code and, if and to the extent they do not apply, to explain the reasons why.

Although it is not a listed company, FMO voluntarily adheres to the Code and has reported on corporate governance in the financial annual report from 2004 onwards in accordance with the Code. FMO acknowledges the importance of good corporate governance. FMO supports the Code and applies the relevant provisions of the Code subject to the exceptions set out below:

- BPP II.1.9 - II.1.11: stipulations on the response time of the Management Board in case of shareholder activism and the hostile takeover stipulations are not implemented, given our stable majority shareholder, the State of the Netherlands.
- BPP II.2.3: FMO complies with this article, except for the fact that the share price is not taken into account when determining the remuneration of the Management Board, as FMO is non-listed.
- BPP II.2.4 - II.2.7 and II.2.13 c. and d.: these provisions relate to the granting of options and shares that are awarded to Management Board members. No options and shares are granted at FMO.
- BPP III.8.1 - III.8.4: these do not apply, since FMO does not have a one tier board.
- BPP IV.1.1: this does not apply, since this provision refers to a legal entity that does not apply a so called '*structuurregime*'. FMO is a so called '*structuur*' legal entity as defined in paragraph 2.4.6 of the Dutch Civil Code.
- BPP IV.1.2: this does not apply, since this provision refers to financing preferred shares, which FMO does not use in its share capital.
- BPP IV.1.7: FMO does not comply with the provision that the company determines a registration date to exercise voting rights and rights to attend the AGM. Since FMO has registered shares only and the identity of all shareholders is known, there is no need for separate registration.
- BPP IV.2.1 - IV.2.8: these concern the issuing of depositary receipts for shares. There is no such requirement at FMO, apart from the Articles of Association which lay down that the company is not permitted to cooperate in issuing depositary receipts of shares.
- BPP IV.3.1 - IV.3.4:.these provisions relate to analysts' meetings and presentations to institutional investors. These provisions are of no practical significance for FMO and therefore do not apply.
- BPP IV.3.8: the explanation of the agenda of the AGM is not published on FMO's website, since this document is sent to all shareholders of FMO.
- BPP IV.3.11: this Best Practice Provision requires the Management Board to provide a survey in the annual report of all the anti-takeover measures to prevent control from being relinquished. FMO did not incorporate any anti-takeover measures in its Articles of Association, which has to do with the fact that

FMO has a stable majority shareholder, the State of the Netherlands. Therefore, an overview as meant in this provision is not incorporated in FMO's Annual Report.

- BPP IV.4.1 - IV.4.3: institutional investors annually publish their policy with respect to the exercise of voting rights on shares in listed companies, report annually on the implementation of the aforementioned policy and report at least once a quarter on the voting behavior at general meetings of shareholders. The vast majority of companies FMO invests in are non-listed companies and the few exceptions concern very small stakes listed on stock exchanges abroad. FMO's mission states that FMO behaves as an active investor with regard to environmental, social and corporate governance issues, among other things. Where FMO has voting rights (with regard to its equity investments), FMO will always exercise these rights to ensure FMO's mission and interests are carried out and protected in the best possible way.
- BPP V3.3: this provision only applies when the company does not have an internal auditor. FMO does have an internal auditor.

Banking Code

The NVB has revised the Dutch Banking Code 2010. The new Dutch Banking Code 2014 ("**Banking Code**") entered into force on 1 January 2015 and is designated to make a contribution to public trust in banks and their role in the community. The Banking Code applies to all banks holding a banking license and formulates principles for banks relating to, for instance, the bankers' oath, remuneration, internal supervision, risk management and audits. Under this decree banks are obliged to report in their annual report on their compliance with the principles of the Banking Code. Banks are required to state in their annual report how they have applied the principles of the Banking Code in the previous year and, if they have not applied a principle or not done so in full, to provide a reasoned explanation for this. FMO has implemented the Banking Code and has drawn up an extensive document in which FMO explains per article how it complies ('*FMO and the Dutch Banking Code*'), which is published on FMO's website as are FMO's annual reports.

Special Measures Financial Institutions Act

Under the Special Measures Financial Institutions Act, substantial powers are granted to DNB and the Dutch Minister of Finance enabling them to deal with, inter alia, ailing Dutch banks with the aim to avoid their insolvency. The Special Measures Financial Institutions Act aims to empower DNB or the Minister of Finance, as applicable, to commence proceedings leading to: (i) the transfer of all or part of the business (including deposits) of the relevant bank to a private sector purchaser; (ii) the transfer of all or part of the business of the relevant bank to a 'bridge bank'; (iii) the transfer of the shares of the relevant bank to a 'bridge bank'; and (iv) public ownership (nationalization) of all or part of the relevant bank or of all or part of the shares of or other securities (which may include Notes) issued by the relevant bank. Subject to certain exceptions, as soon as any of these proposed proceedings have been initiated by DNB or the Minister of Finance, as applicable, the relevant counterparties of such bank would not be entitled to invoke events of default or set off their claims against the bank. The Minister of Finance may, after consultation with DNB, take immediate measures which may deviate from statutory provisions or from the articles of association of the institution concerned. Within the context of the resolution tools provided by the Special Measures Financial Institutions Act, holders of debt securities of a bank (including Noteholders) subject to resolution could be affected by issuer substitution or replacement, transfer of debt, expropriation, modification of terms and/or suspension or termination of listings. There is a risk that exercise of powers by DNB or the Minister of Finance under the Special Measures Financial Institutions Act could adversely affect the proper performance by FMO of its payment and other obligations and enforcement thereof under the Terms and Conditions of any series of Notes.

Bank Recovery and Resolution Directive

The BRRD sets out a common European recovery and resolution framework which is composed of three pillars: (i) preparation (by requiring banks to draw up recovery plans and resolution authorities to draw up resolution plans), (ii) early intervention powers and (iii) resolution powers. The BRRD entered into force on 1 January 2015. However, the BRRD has not yet been implemented in Dutch law. A legislative proposal to amend, amongst other things, the DFSA, has been submitted to parliament which purports to implement the BRRD and SRM, substantially replacing the current provisions of the Special Measures Financial Institutions Act forming part of the DFSA as applicable to banks by provisions implementing the BRRD. The Dutch legislator did thus not achieve implementation and entry into force of the legislation by 1 January 2015 as required by the BRRD. The legislator's actual target date for implementation is not yet known but it is expected that the implementation will occur at the end of 2015.

The BRRD gives regulators resolution powers, inter alia, to write down debt (which may also include the Notes) of failing banks and certain investment firms (or to convert such debt into equity) to strengthen their financial position and allow such undertakings to continue as a going concern subject to appropriate restructuring measures being taken, the Bail-in Tool. In addition to the Bail-in Tool, the BRRD will provide the resolution authorities with broader powers to implement other resolution measures with respect to banks which reach non-viability, which may include (without limitation) the sale of bank's business, the separation of assets, the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments and discontinuing the listing and admission to trading of financial instruments.

Pursuant to the BRRD, the banks are required to meet at all times a minimum amount of own funds and eligible liabilities ("**MREL**") expressed as a percentage of the total liabilities and own funds. The resolution authority shall set a level of minimum MREL on a bank-by-bank basis based on assessment criteria to be set out in technical regulatory standards. In addition hereto, the Financial Stability Board ("**FSB**") has developed proposals to enhance the total loss-absorbing capacity ("**TLAC**") of global systemically important banks in resolution. The FSB proposes minimum TLAC requirements to be set as a percentage of the loss-absorbing capital and debt against the balance sheet (both weighted and unweighted). It is unclear whether the TLAC will become law and, if so, in what form and when.

Single Resolution Mechanism

The SRM provides for a single resolution framework for banks. SRM consists of a regulation (Regulation 806/2014, "**SRM Regulation**"). The application of the SRM Regulation will be phased in and has started on 1 January 2015 with provisions on the preparation of resolution planning, the collection of information and cooperation with national resolution authorities. Provisions relating to resolution planning, early intervention, resolution actions and resolution instruments, including the Bail-In Tool, will apply as from 1 January 2016, provided that the conditions for the transfer of contributions to the single resolution fund ("**SRF**") have been met.

The SRM establishes a European single resolution board ("**SRB**") (consisting of representatives from the ECB, the European Commission and the relevant national authorities) that will manage (through the national resolution authorities or directly) the failing of any bank in the Euro-area and in other EU Member States participating in the European Banking Union. It will determine the application of resolution tools and the use of the SRF. The SRB addresses the resolution decisions to the relevant national resolution authorities for execution at the national level in accordance with the SRM Regulation and the BRRD.

Basel III and CRD IV

In December 2010, the Basel Committee on Banking Supervision published its final standards on Basel III. These standards are significantly more stringent than the existing requirements. In order to facilitate the implementation of the Basel III capital and liquidity standards for banks and investment firms, on 20 July 2011 the European Commission proposed a legislative package to strengthen the regulation of the banking sector. On 26 June 2013 the Council and the European Parliament adopted CRD IV. CRD IV consists of the CRD IV Directive and CRR which aims to create a sounder and safer financial system. The CRD IV Directive governs amongst other things the access to deposit-taking activities while the CRR establishes the majority of prudential requirements institutions need to respect. On 1 August 2014, the CRD IV Directive was implemented in Dutch law. The application in full of all measures under CRD IV (including any national implementation thereof in the Netherlands) will have to be completed before 1 January 2019. The CRR entered into effect on 1 January 2014 and has direct effect in the Netherlands.

CRD IV, in implementing Basel III, intends to increase the quality and quantity of capital, to require increased capital against derivative positions and to introduce a capital conservation buffer, a counter-cyclical buffer, a systemic buffer, a new liquidity framework (LCR) and a net stable funding ratio (NSFR) as well as a leverage ratio. The LCR addresses the sufficiency of high quality liquid assets to meet short-term liquidity needs under a specified acute stress scenario which may not fall below 100% of the estimated net cash outflows for the following 30 days. The NSFR requires that banks maintain a stable funding profile in relation to their on- and off-balance sheet activities, i.e. that long-term assets are covered with sufficient stable funding. The leverage ratio is defined as Tier-1 capital divided by a measure of non-risk weighed assets. The leverage ratio requirement will be phased in with initially a reporting period, a disclosure obligation as of 1 January 2015 and the migration to a binding harmonized requirement on 1 January 2018. If Basel III is followed under CRD IV, the leverage ratio will be 3%, but there is still uncertainty as to the exact size and implementation of the leverage ratio under CRD IV (and national implementation (if any)). With respect to the ratio, the Dutch government has announced that it wishes to implement a leverage ratio of at least 4% for - in any case - significant Dutch banks.

Subsidiaries

FMO is the majority shareholder of each of the following subsidiaries:

- FMO Antillen N.V. (100%);
- Nuevo Banco Comercial Holding B.V. (100%);
- Asia Participations B.V. (100%); and
- Medu II Investment Trust Ltd. (100%).

International Financial Reporting Standards

FMO reports on the basis of the International Financial Reporting Standards (IFRS) as of 1 January 2005.

Outlook 2015

Global economic activity in 2015 is expected to show the strongest growth since 2010, although that growth is set to vary sharply among the regions in which we are active. We have broad and deep experience in managing volatility and uncertainties through diversification, in order to achieve healthy returns. We will maintain our risk policy, diversification and adequate capitalisation (with a BIS ratio of 21.3% at the end of 2014, which is well above the minimum requirements for banks under CRR, FMO is one of the best capitalised banks in the Netherlands).

With our healthy pipeline and well-diversified portfolio, supported by a strong capital base, we are moderately positive that the economic environment will allow us to reach our growth and income targets for 2015.

A number of downside risks could play out in 2015, affecting our clients and FMO.

The IMF forecasts that emerging markets will grow by 4% on average in 2015, yet there, too, expectations per region vary greatly. A sharp slowdown in Russia could drag the whole Eastern Europe and Central Asia region into recession – including many countries where we are active, such as Georgia, Kyrgyzstan and Azerbaijan. Such a scenario would likely hit FMO's profitability via additional provisions and lower private equity results. Economic slowdown would also mean less job creation in the region. The crisis in Ukraine, if it persists, is likely to further affect agricultural and financial clients.

China could see a significant slowdown in growth, which would reduce demand for commodities and undermine the economic growth of countries reliant on natural resource exports. Growth in the Southern hemisphere, will depend on positive developments in China continuing in coming years. In the Latin America and Caribbean region, Brazil and Argentina are expected to grow by just over 2%, affecting the economic prospects of the entire region.

Persistently low oil prices could also reduce appetite for investing in renewable energy, which could make FMO's green targets difficult to achieve. On the other hand, we also see that policy makers are taking a more holistic approach to their country's energy mix as climate change is starting to affect them more directly. With the technology becoming more affordable, many governments are starting to remove subsidies on renewable forms of energy. Africa's growth prospects in coming years are optimistic, with seven out of the top 10 fastest growing emerging market economies expected to be on that continent. We are also exploring opportunities for more projects in countries such as Myanmar and Pakistan. We also see opportunities in upper middle-income countries such as India, South Africa and Indonesia and expect to be able to catalyse more investors there. We will strengthen our role in the syndications market in order to close more and larger transactions, and we will scale up our fund management activities. In addition, we will continue our cooperation with DEG and Proparco, our French counterpart, in the joint finance facility.

High liquidity in more developed countries as a result of continued loose monetary policies could put pressure on our pricing, although this effect could be offset if commercial banks further reduce activities in our markets due to increased regulation. Dollar strength could affect some developing markets as investors repatriate money to the US, and we could see devaluations in some developing economies, which would make it hard for some of our clients to repay hard currency loans.

2015 is an important year for shaping a new and more progressive international climate regime. During the Lima Climate Summit in 2014, preparatory work was done when China and the US signed President Obama's climate pact. This implies an encouraging shift towards widespread political participation in a major international agreement to reduce greenhouse gas emissions at the UNFCCC COP21 climate change conference to be held in Paris in November 2015. This would be supportive in helping us achieve our climate change objectives and our focus in 2015 will be on structurally improving sourcing of green investments. We have increased our target for green investments as a percentage of total new commitments from 20% to 25%.

Related to this, 2015 is also the year of the formulation of a new global development agenda that will replace the Millennium Development Goals agenda. As part of this process, the UN International Conference on Financing for Development in July 2015 resulted in an outcome agreed between governments, which will support the implementation of the post-2015 development agenda as adopted by the UN General Assembly on 25 September 2015.

We will gain more experience with inclusive deals this year, learning about the various factors that determine an investment's impact. By piloting a more innovative approach to inclusive business and dedicating capacity, we can devise solutions that create impact like the project with IDH to help smallholder farmers boost yields. This will help us to determine whether to set an inclusive investments target as part of our Impact & Footprint Framework.

On the footprint side we will further investigate how to quantify the effects of water as a further refinement to showing our sustainability efforts. Given that 70% of the world's freshwater is used for agriculture, we have a keen interest in helping our clients in this area.

Our focus in the rollout of the FMO impact model will be on improving the quality of non-financial indicators, so that the quality of this data can support the impact we make, how we cope with challenges and setbacks and the operational targets we set.

We will develop new products to stimulate Dutch companies to invest in our markets. This is part of our strategy, although we have not set quantifiable targets for it.

Our staff is expected to grow a total of 405 by the end of 2015 (2014: 387). Our 2020 ambitions set against the backdrop of a fastly changing world, requires us to raise the bar. To that end, we will continue to strengthen leadership in all layers of our organization through training and development programs and by cultivating operational excellence and cooperation.

Besides building up our own knowledge in green and inclusive finance, we will also partner with parties that have experience and knowledge in these fields allowing us to offer our clients relevant products, knowledge and networks. To assess their level of satisfaction, we will perform the bi-annual survey amongst our clients during the year.

For 2015, FMO's targets are as follows:

KEY TARGETS 2015

		Targets
Development impact	Total new contracts FMO and government funds	€1.6 billion
Additionally catalysed from third parties		€875 million
Green investments of the total		25%
ESG action items due implemented		85%
Financial Sustainability	FMO net annual return on shareholders' equity	6.2%
FMO cost to income		25%

FMO Five Year Financial Review (as at 31 December)

(x €million)	2014 IFRS	2013 IFRS	2012 IFRS	2011 IFRS	2010 IFRS
New investments 1)	1,632	1,524	1,390	1,306	1,026
of which are Government funds 2)	177	144	160	165	81
Committed investment portfolio	8,013	6,633	6,281	5,874	5,292
of which are Government funds	978	844	831	828	726
Balance sheet					
Net loans	3,860	2,981	2,817	2,585	2,269
Equity investments portfolio 3)	1,149	962	914	795	688
Shareholders' equity	2,138	1,963	1,815	1,665	1,514
Debt securities and debentures / notes	4,197	3,610	3,292	2,679	2,365
Total assets	**7,088**	**6,184**	**5,564**	**5,059**	**4,305**
Profit and loss account					
Income					
Net interest income	169	155	154	147	133
Income from equity investments	72	43	89	46	52
Other income including services	19	56	28	45	40
Total Income	**260**	**254**	**271**	**238**	**225**
Expenses					
Operating expenses	-62	-62	-57	-52	-50
Operating profit before value adjustments	**198**	**192**	**214**	**186**	**175**
Value adjustments					
> to loans and guarantees	-36	4	-23	-23	-18
> to equity investments	-15	-22	-23	-36	-11
Total value adjustments	**-51**	**-18**	**-46**	**-59**	**-29**
Share in the results of associates	2	-5	4	-9	5
Profit before tax (including results from associates)	**149**	**169**	**172**	**118**	**151**

Taxes	-25	-36	-27	-25	-25
Net profit	**124**	**133**	**145**	**93**	**126**
Average number of full-time employees	362	342	306	283	270
Offset CO_2 emissions (tons) 4)	5,162	4,922	6,288	3,600	3,791

1) New investments and Committed investment portfolio concerns both investments for FMO's account and for Government funds managed by FMO.

2) The Government funds include MASSIF, IDF, AEF and FOM OS.

3) Including associates.

4) Since 2012 FMO has used a new offsetting methodology. Before 2012 FMO offset its CO_2 emissions through the Climate Neutral Group. FMO now compensates for the largest share its CO_2 emissions – employee flight travel – directly through KLM, its preferred carrier, and the remaining CO_2 emissions through the Climate Neutral Group.

Consolidated Balance Sheet 2014 and 2013

The annual figures for the years ended 31 December 2014 and 31 December 2013 are derived from the Issuer's annual accounts for the year 2014.

(before profit appropriation) (x €million)	Notes	Page number Annual Report	2014	2013
ASSETS				
Banks	(1)	100	33,743	29,042
Short-term deposits	(2)	100	1,093,606	1,102,630
Derivative financial instruments	(3)	100	241,403	296,901
Loans to the private sector	(4), (8)	101,104	3,801,325	2,927,508
Loans guaranteed by the State	(5), (8)	102, 104	58,515	53,355
Equity investments	(6)	103	1,124,417	943,197
Investments in associates	(7)	103	24,358	19,246
Interest-bearing securities	(9)	105	593,263	664,705
Tangible fixed assets	(10)	105	7,468	7,468
Deferred income tax assets	(31)	115	2,379	4,954
Current income tax receivables	(31)	115	236	
Current accounts with State funds and other programs	(11)	106	-	35
Other receivables	(12)	106	23,870	52,053
Accrued income	(13)	106	83,061	83,249
Total assets			**7,087,644**	**6,184,343**
LIABILITIES				
Banks	(14)	107	81,168	76,897
Short-term credits	(15)	107	261,145	226,885
Derivative financial instruments	(3)	100	329,099	218,157
Debentures and notes	(16)	107	4,196,998	3,609,796
Other liabilities	(17)	108	9,975	6,394
Current accounts with State funds and other programs	(18)	108	1,019	1,630
Current income tax liabilities	(31)	115	-	2,897
Wage tax liabilities			36	80
Deferred income tax liabilities	(31)	115	3,985	5,224
Accrued liabilities	(19)	108	54,192	50,587
Provisions	(20)	109	12,467	22,839
Total liabilities			**4,950,084**	**4,221,386**
SHAREHOLDERS' EQUITY				

Share capital			9,076	9,076
Share premium reserve			29,272	29,272
Contractual reserve			1,140,363	1,020,547
Development fund			657,981	657,981
Available for sale reserve			267,119	215,889
Translation reserve			859	-644
Other reserves			28,330	25,540
Undistributed profit			4,560	5,296
Total shareholders' equity	(21)	111	**2,137,560**	**1,962,957**
Total liabilities and shareholders' equity			**7,087,644**	**6,184,343**
Contingent liabilities				
Effective guarantees issued	(32)	117	119,630	106,470
Effective guarantees received	(32)	117	-191,777	-102,795
Irrevocable facilities	(32)	117	1,601,951	1,408,148
Loans and equity investments managed for the risk of the State[1]			721,646	646,514

[1] See segment reporting paragraph of the annual report 2014.

Consolidated Profit and Loss Account 2014 and 2013

The consolidated profit and loss account figures for the years ended 31 December 2014 and 31 December 2013 are derived from the Issuer's annual accounts for the year 2014.

(x €million)	Notes	Page number Annual Report	2014	2013
INCOME				
Interest income			206,592	196,778
Interest expense			-37,193	-42,243
Net interest income	**(22)**	**113**	**169,399**	**154,535**
Fee and commission income			6,957	7,126
Fee and commission expense			-120	-187
Net fee and commission income	**(23)**	**113**	**6,837**	**6,939**
Dividend income			12,707	19,826
Results from equity investments	(24)	113	59,328	23,643
Results from financial transactions	(25)	114	-14,279	24,911
Remuneration for services rendered	(26)	114	25,114	22,896
Other operating income	(27)	114	1,195	1,124
Total other income			**84,065**	**92,400**
Total Income			**260,301**	**253,874**
OPERATING EXPENSES				
Staff costs	(28)	114	-45,923	-46,824
Other administrative expenses	(29)	115	-13,642	-13,738
Depreciation and impairment	(10)	105	-2,124	-1,662
Other operating expenses	(30)	115	-35	-220
Total operating expenses			**-61,724**	**-62,444**
Operating profit before value adjustments			**198,577**	**191,430**
VALUE ADJUSTMENTS ON				
Loans	(8)	104	-33,659	2,966
Equity investments and associates	(6), (7)	103,103	-14,531	-22,087
Guarantees issued	(8)	104	-2,907	1,635
Total value adjustments			**-51,097**	**-17,486**
Share in the result of associates	(7)	103	1,892	-3,034
Result on disposal of subsidiaries			-	-1,934
Total result on associates and subsidiaries			**1,892**	**-4,968**
Profit before taxation			**149,372**	**168,976**

Income tax	(31)	115	-24,996	-35,641
Net profit			**124,376**	**133,335**

Use of Proceeds

The net proceeds of the issue of the Notes will be used for general corporate purposes.

Taxation

Tax treatment in the Netherlands

General

The following is a general summary of certain Netherlands tax consequences of the acquisition, holding and disposal of the Notes or Coupons. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of Notes or Coupons and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, it should be treated with corresponding caution. Noteholders or prospective noteholders should consult with their tax advisors with regard to the tax consequences of investing in the Notes or Coupons in their particular circumstances. The discussion below is included for general information purposes only.

Except as otherwise indicated, this summary only addresses Netherlands national tax legislation and published regulations, whereby the Netherlands means the part of the Kingdom of the Netherlands located in Europe, as in effect on the date hereof, and as interpreted in published case law until this date, without prejudice to any amendment introduced at a later date and implemented with or without retroactive effect.

Withholding tax

All payments made by the Issuer under the Notes or Coupons 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.

Taxes on income and capital gains

Please note that the summary in this section does not describe the Netherlands tax consequences for:

(i) holders of Notes or Coupons if such holders, and in the case of individuals, his/her partner or certain of their relatives by blood or marriage in the direct line (including foster children) have a substantial interest or deemed substantial interest in the Issuer under the Netherlands Income Tax Act 2001 (in Dutch: "*Wet inkomstenbelasting 2001*"). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder, alone or, in case of individuals, together with his /her partner (as defined in the Netherlands Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5% or more of the total issued and outstanding capital of that company or of 5% or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) holds rights to acquire, directly or indirectly, such interest; or (iii) holds certain profit sharing rights in that company that relate to 5% or more of the company's annual profits and/or to 5% or more of the company's liquidation proceeds. A deemed substantial interest may arise if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;

(ii) pension funds, investment institutions (in Dutch: "*fiscale beleggingsinstellingen*"), exempt investment institutions (in Dutch: "*vrijgestelde beleggingsinstellingen*") (as defined in the Netherlands Corporate Income Tax Act 1969; in Dutch: "*Wet op de Vennootschapsbelasting* 1969") and other entities that are, in whole or in part, not subject to or exempt from Netherlands corporate income tax; and

(iii) holders of Notes or Coupons who are individuals for whom the Notes or Coupons or any benefit derived from the Notes or Coupons are a remuneration or deemed to be a remuneration for activities performed by such holders or certain individuals related to such holders (as defined in the Netherlands Income Tax Act 2001).

Residents of the Netherlands

Generally speaking, if the holder of the Notes or Coupons is an entity that is a resident or deemed to be resident of the Netherlands for Netherlands corporate income tax purposes, any payment under the Notes or Coupons or any gain or loss realised on the disposal or deemed disposal of the Notes or Coupons is subject to Netherlands corporate income tax at a rate of 20% with respect to taxable profits up to EUR 200,000 and 25% with respect to taxable profits in excess of that amount.

If a holder of the Notes or Coupons is an individual, resident or deemed to be resident of the Netherlands for Netherlands income tax purposes, any payment under the Notes or Coupons or any gain realised on the disposal or deemed disposal of the Notes or Coupons is taxable at the progressive income tax rates (with a maximum of 52%), if:

(i) the Notes or Coupons are attributable to an enterprise from which the holder of the Notes or Coupons derives a share of the profit, whether as an entrepreneur or as a person who has a co-entitlement to the net worth (in Dutch: "*medegerechtigd tot het vermogen*") of such enterprise, without being a shareholder (as defined in the Netherlands Income Tax Act 2001); or

(ii) the holder of the Notes or Coupons is considered to perform activities with respect to the Notes or Coupons that go beyond ordinary asset management (in Dutch: "*normaal, actief vermogensbeheer*") or derives benefits from the Notes or Coupons that are taxable as benefits from other activities (in Dutch: "*resultaat uit overige werkzaamheden*").

If the above-mentioned conditions (i) and (ii) do not apply to the individual holder of the Notes or Coupons, such holder will be taxed annually on a deemed income of 4% of his/her net investment assets for the year at an income tax rate of 30%. The net investment assets for the year are the fair market value of the investment assets less the allowable liabilities on 1 January of the relevant calendar year. The Notes or Coupons are included as investment assets. A tax free allowance may be available. Actual income, gains or losses in respect of the Notes or Coupons are not subject to Netherlands income tax.

Non-residents of the Netherlands

A holder of the Notes or Coupons that is neither a resident nor deemed to be a resident of the Netherlands will not be subject to Netherlands taxes on income or capital gains in respect of any payment under the Notes or Coupons or in respect of any gain or loss realised on the disposal or deemed disposal of the Notes or Coupons, provided that:

(i) such holder does not have an interest in an enterprise or deemed enterprise (as defined in the Netherlands Income Tax Act 2001 and the Netherlands Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Notes or Coupons are attributable; and

(ii) in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the Notes or Coupons that go beyond ordinary asset management and does not derive benefits from the Notes or Coupons that are taxable as benefits from other activities in the Netherlands.

Gift and inheritance taxes

Residents of the Netherlands

Gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the Notes or Coupons by way of a gift by, or on the death of, a holder of such Notes or Coupons who is resident or deemed resident of the Netherlands at the time of the gift or his/her death.

Non-residents of the Netherlands

No Netherlands gift or inheritance taxes will arise on the transfer of Notes or Coupons by way of gift by, or on the death of, a holder of Notes or Coupons who is neither resident nor deemed to be resident in the Netherlands, unless:

(i) in the case of a gift of a Note or Coupon 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 in the Netherlands; or

(ii) the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be a resident in the Netherlands.

For purposes of the above, a gift of Notes made under a condition precedent (in Dutch: "*opschortende voorwaarde*") is deemed to be made at the time the condition precedent is satisfied.

For purposes of Netherlands gift and inheritance taxes, amongst others, a person that holds the Netherlands nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the ten years preceding the date of the gift or his/her death. Additionally, for purposes of Netherlands gift tax, amongst others, a person not holding the Netherlands nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the twelve months preceding the date of the gift. Applicable tax treaties may override deemed residency.

Value added tax (VAT)

No Netherlands VAT will be payable by the holders of the Notes or Coupons on (i) any payment in consideration for the issue of the Notes or Coupons or (ii) the payment of interest or principal by the Issuer under the Notes or Coupons.

Other taxes and duties

No Netherlands registration tax, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable by the holders of the Notes or Coupons in respect of (i) the issue of the Notes or Coupons or (ii) the payment of interest or principal by the Issuer under the Notes or Coupons.

FATCA Withholding

Pursuant to certain provisions of U.S. law, 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. The Issuer believes that it is a foreign financial institution for purposes of FATCA. 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. Certain aspects of the application of these rules to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, is not clear at this time. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, such withholding would not apply prior to 1 January 2017. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be

required to pay additional amounts as a result of the withholding.

Subscription and Sale

HSBC Bank plc and J.P. Morgan Securities plc (the "Managers") have, pursuant to a Subscription Agreement dated 4 December 2015, jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe the Notes at 99.680 per cent. of their principal amount plus accrued interest, if any. The Issuer has agreed to pay to the Managers a combined management and underwriting commission of 0.40 per cent. of such principal amount. In addition, the Issuer has agreed to reimburse the Managers for certain of their expenses in connection with the issue of the Notes. The Subscription Agreement entitles the Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

General

Neither the Issuer nor any Manager has made any representation that any action will be taken in any jurisdiction by of the Managers or the Issuer that would permit a public offering of the Notes, or possession or distribution of this Prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the Notes (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. Each Manager has agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Notes or has in its possession or distributes this Prospectus (in preliminary, proof or final form) or any such other material, in all cases at its own expense. It will also ensure that no obligations are imposed on the Issuer or any other Manager in any such jurisdiction as a result of any of the foregoing actions.

United States

The Notes have not been and will not be registered under 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 certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("Regulation S").

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and U.S. Treasury regulations promulgated thereunder.

Each Manager has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement) within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Manager has represented and agreed 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 Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Joint Lead Managers; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or any 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.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, 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.

United Kingdom

Each Manager has represented and agreed that:

(a) 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 FSMA) received by it in connection with the issue or sale of the Notesonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

General Information

1. The issue of the Notes was authorised by resolutions of the Management Board and the Supervisory Board of the Issuer both passed on 17 August 2015.

2. There has been no significant change in the financial or trading position of the Issuer since 30 June 2015 and no material adverse change in the prospects of the Issuer since 31 December 2014.

3. The Issuer is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), nor have there been any such proceedings during the 12 months before the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.

4. Each Note and Coupon will bear the following legend: "*Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code*".

5. The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) with a Common Code of 111727937. The International Securities Identification Number (ISIN) for the Notes is XS1117279379.

   The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

6. Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where used.

7. For the period of 12 months starting on the date of this Prospectus, copies (and English translations where the documents in question are not in English) of the following documents will be available, during usual business hours on any weekday (public holidays excepted), for inspection at the registered office of the Issuer at Anna van Saksenlaan 71, 2593 HW The Hague, the Netherlands, and at the specified office of the Fiscal Agent:

   (a) the Fiscal Agency Agreement (which includes the form of the Global Notes, the definitive Notes and the Coupons);

   (b) the Articles of Association of the Issuer;

   (c) the published annual report and audited accounts of the Issuer for the two financial years most recently ended;

   (d) a copy of this Prospectus together with any supplement to this Prospectus or further Prospectus; and

   (e) an English translation of the State Agreement.

8. KPMG Accountants N.V. ("KPMG") of Laan van Langerhuize 1, 1186 DS Amstelveen, the Netherlands (independent public accountants and a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants* (NBA)) have audited, and rendered unqualified audit reports on, the accounts of the Issuer for the two years ended 31 December 2013 and 31 December 2014.

9. Certain of 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 services to the Issuer and/or its affiliates in the ordinary course of business.

10. It is expected that listing of the Notes will take place on the Issue Date and the estimated total expenses related to trading are EUR 4,800.

Registered Office of the Issuer

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.
Anna van Saksenlaan 71
2593 HW The Hague
The Netherlands

Auditors of the Issuer

KPMG Accountants N.V.
Laan van Langerhuize 1
1186 DS Amstelveen
The Netherlands

Fiscal Agent and Principal Paying Agent and Agent Bank

Banque Internationale à Luxembourg, société anonyme
69, route d'Esch
L-2953 Luxembourg
Luxembourg

Joint Lead Managers

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8 Canada Square
London E14 5HQ
United Kingdom

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United Kingdom

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1077 XV Amsterdam
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