

PROSPECTUS DATED 20 February 2003

ABN AMRO Bank N.V.
(Incorporated in The Netherlands with its statutory seat in Amsterdam)
Equity Linked Instrument Programme

Under this Equity Linked Instrument Programme (the "**Programme**"), ABN AMRO Bank N.V. (the "**Issuer**"), acting through its London branch, may from time to time issue Notes ("**Notes**") and Certificates ("**Certificates**" and, together with Notes, "**Instruments**"). Instruments may be issued in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Each issue of Notes will be issued on the terms set out herein which are relevant to such Notes under "Terms and Conditions of the Notes" (the "**Note Conditions**") and on such additional terms as will be set out in a pricing supplement (the "**Note Pricing Supplement**"). Each issue of Certificates will be issued on the terms set out herein which are relevant to such Certificates under "Terms and Conditions of the Certificates" (the "**Certificate Conditions**" and, together with the Note Conditions, the "**Conditions**") and on such additional terms as will be set out in a Pricing Supplement (the "**Certificate Pricing Supplement**", a Certificate Pricing Supplement and a Note Pricing Supplement, being each a "**Pricing Supplement**"). With respect to Instruments which are to be listed on a stock exchange, the applicable Pricing Supplement will be delivered to such stock exchange on or prior to the date of listing of such Instruments. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes, details of any Reference Item(s) and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set forth in the Note Pricing Supplement. Notice of the specific designation of Certificates, the aggregate number and type of Certificates, the date of issue of Certificates, the issue price of Certificates, details of any Reference Item(s) and any other terms and conditions not contained herein which are applicable to each Tranche of Certificates will be set forth in the Certificate Pricing Supplement.

Instruments will be issued on a continuing basis to ABN AMRO Bank N.V. as the initial Dealer (the "**Initial Dealer**") and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**"). The Dealer or Dealers with whom the Issuer agrees or proposes to agree on the issue of any Instruments is or are referred to as the "relevant Dealer" in respect of those Instruments. The Issuer may agree with the relevant Dealer that Instruments may be issued in a form not contemplated by the Conditions, in which case a supplementary Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Instruments.

Certificates will be, and payment of principal and/or interest in relation to certain issues of Notes may be, linked to the performance of one or more equity securities and/or one or more indices (each a "Reference Item"). A relatively small movement in the value of a Reference Item could result in a disproportionately large movement in the value of the relevant Instruments, including the amounts payable on such Instruments being zero. Prospective investors are warned that an investment in Instruments is not risk free and that the price of Instruments may fall in value as rapidly as it may rise and holders may sustain a loss (in whole or in part) on their investment. Prospective purchasers of any Instruments should ensure that they understand the nature of the Instruments which they are considering purchasing and the extent of their exposure to risk and that they consider the suitability of the relevant Instruments as an investment in the light of their own circumstances and financial condition.

In relation to Certificates, and an issue of Notes where payments of principal and/or interest is linked to a Reference Item, prospective investors should be experienced with respect to transactions in equity securities or based on an index or indices and in securities with a value derived from underlying equity securities including the relevant Reference Item(s). Prospective investors should understand the risks of transactions involving such Instruments and should reach an investment decision only after careful consideration, with their advisers, of the suitability of investing in such Instruments in light of their particular financial circumstances and their particular investment considerations (see "Investment Considerations").

The Notes of each Tranche will initially be represented by either a Temporary Global Note, a Permanent Global Note, a Regulation S Global Note, a Restricted Global Note and/or Definitive Registered Notes, as indicated in the applicable Note Pricing Supplement. The Certificates of each Tranche will initially be represented by either a Temporary Global Certificate, a Permanent Global Certificate, a Regulation S Global Certificate, a Restricted Global Certificate and/or Definitive Registered Certificates, as indicated in the applicable Certificate Pricing Supplement.

Application has been made to the Luxembourg Stock Exchange for Instruments issued during the period of 12 months from the date of this Prospectus to be listed on the Luxembourg Stock Exchange. Instruments may also be listed on any other stock exchange specified in the applicable Pricing Supplement. The Issuer may also issue unlisted Instruments.

**Arranger
ABN AMRO**

**Initial Dealer
ABN AMRO**

Subject as set out below, the Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (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

The applicable Pricing Supplement will (if applicable) specify the nature of the responsibility taken by the Issuer for the information relating to any Reference Item(s) to which the relevant Instruments relate and which is contained in such Pricing Supplement. However, unless otherwise expressly stated in a Pricing Supplement, any information contained therein relating to a Reference Item will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, owner or sponsor, as the case may be, of such Reference Item. The Issuer will, unless otherwise expressly stated in the applicable Pricing Supplement, accept responsibility for accurately reproducing such extracts or summaries (insofar as it is applicable) but the Issuer will not accept any further or other responsibility in respect of such information.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" below). This Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Prospectus.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any Dealer.

Neither this Prospectus nor any other information supplied in connection with the Programme (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any Dealer that any recipient of this Prospectus or any other information supplied in connection with the Programme should purchase any Instruments. Accordingly, no representation, warranty or undertaking, express or implied, is made by any Dealer in its capacity as such. Each investor contemplating purchasing any Instruments should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and, if relevant, of an investment linked to the relevant Reference Item(s). Neither this Prospectus nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer or any Dealer to any person to subscribe for or to purchase any Instruments.

All Instruments will be obligations solely of the Issuer.

Neither the delivery of this Prospectus nor the offering, sale and delivery of Instruments shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. No Dealer expressly undertakes to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any Instruments.

Distribution of this Prospectus and the offer or sale of Instruments may be restricted by law in certain jurisdictions. Persons into whose possession this Prospectus or any Instruments come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Instruments in Hong Kong, The Netherlands, the United Kingdom and the United States (see "Sale Restrictions" below).

The Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and certain of the Instruments are subject to U.S. tax law requirements. Subject to certain exceptions, Instruments may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act ("**Regulation S**") (see "Sale Restrictions" below).

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of Instruments in reliance upon Regulation S outside the United States to non-U.S. persons and, with respect to Instruments in registered form only, within the United States (1) in reliance upon Rule 144A under the Securities Act ("**Rule 144A**") to qualified institutional buyers within the meaning of Rule 144A ("**QIBs**") or (2) to institutional accredited investors (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act ("**Institutional Accredited Investors**") pursuant to Section 4(2) of the Securities Act or in transactions otherwise exempt from registration. Prospective purchasers are hereby notified that sellers of the Instruments may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

All references in this document to "**U.S.\$**" refer to United States dollars, those to "**NLG**" refer to Netherland guilders, those to "**Sterling**" refer to pounds sterling and those to "**euro**" and "**EUR**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (a) the Articles of Association of the Issuer;
- (b) the publicly available audited annual financial statements for the three most recent years and the most recently published consolidated and unaudited interim financial statements of the Issuer;
- (c) the publicly available audited annual financial statements for the three most recent years and the most recently published consolidated and unaudited interim financial statement of ABN AMRO Holding N.V.;
- (d) the periodic reports and other information filed by ABN AMRO Holding N.V. with the United States Securities and Exchange Commission pursuant to the informational reporting requirements of the United States Securities Exchange Act of 1934 (the "**Exchange Act**");
- (e) all supplements to this Prospectus circulated by the Issuer from time to time; and
- (f) with respect to any Instruments, the applicable Pricing Supplement,

save that any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

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. Written or oral requests for such documents should be directed to the Issuer at its registered office set out at the end of this Prospectus. In addition, if and for so long as any Instruments are listed on the Luxembourg Stock Exchange, such documents will be available, free of charge, from the principal office in Luxembourg of ABN AMRO Bank (Luxembourg) S.A.

The Issuer will, in connection with the listing of the Instruments on the Luxembourg Stock Exchange, so long as any Note remains outstanding and listed on such exchange, in the event of a material adverse change in the financial condition of the Issuer which is not reflected in this Prospectus, prepare a supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Instruments to be listed on the Luxembourg Stock Exchange. If the terms of this Programme are modified or amended in a manner which would make this Prospectus inaccurate or misleading, a new Prospectus will be prepared.

AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with sales of any Instruments, Receipts (as defined below) or Coupons (as defined below), the Issuer has undertaken in a deed poll dated 20 February 2003 (the "**Deed Poll**") to furnish, upon the request of a holder of such Instruments, Receipts or Coupons, or a beneficial owner of an interest therein to such holder or beneficial owner or to a prospective purchaser designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the Securities Act, if at the time of the request, the Issuer is neither a reporting company under Section 13 or Section 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

INVESTMENT CONSIDERATIONS

The purchase of Instruments may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in Instruments. Prior to making an investment decision, prospective investors should consider carefully, in light of their own financial circumstances and investment objectives, (i) all the information set forth in this Prospectus and, in particular, the considerations set forth below and (ii) all the information set forth in the applicable Pricing Supplement. Prospective purchasers should make such inquiries as they deem necessary without relying on the Issuer, the Arranger or any Dealer.

An investment in Instruments linked to one or more Reference Items may entail significant risks not associated with similar investments in a conventional debt security.

An investment in Instruments linked to one or more Reference Items may bear the market risk similar to a direct equity investment and investors are cautioned to take advice accordingly.

An investment in Instruments may entail significant risks, which may include, among others, interest, foreign exchange and time value and political risks. Purchasers should be prepared to sustain a total loss of the purchase price of their Instruments. Prospective purchasers of Instruments should be experienced and should understand the risks of transactions involving the relevant Instruments.

The value of Instruments linked to one or more Reference Items may mirror or track the performance of the relevant Reference Item. Purchasers of Instruments risk losing all or a part of their investment if the value of the relevant Reference Item does not move in the anticipated direction. The risk of the loss of some or all of the purchase price of such an Instrument upon maturity means that, in order to recover and realise a gain upon the original investment, a purchaser of such an Instrument must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Reference Item(s).

The only means through which a holder can realise value from an Instrument prior to the Maturity Date or Final Redemption Amount Payment Date, as the case may be, in relation to such Instrument is to sell at its then market price in an available secondary market.

In the ordinary course of their business, including without limitation in connection with their market making activities, the Issuer and/or any of its affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Reference Item(s) or related derivatives. In addition, in connection with the offering of any Instruments, the Issuer and/or any of its affiliates may enter into one or more hedging transactions with respect to the Reference Item(s) or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and/or any of its affiliates, the Issuer and/or any of its affiliates may enter into transactions in the Reference Item(s) or related derivatives which may affect the market price, liquidity or value of such Instruments and which could be deemed to be adverse to the interests of the holders of such Instruments.

There can be no assurance as to how any Instruments will trade in the secondary market or whether such market will be liquid or illiquid. Application may be made to list Instruments on a stock exchange, as indicated in the applicable Pricing Supplement. No assurance can be given that there will be a market for any Instruments. If any Instruments are not traded on any securities exchange, pricing information for such Instruments may be more difficult to obtain, and the liquidity and market prices of such Instruments may be adversely affected.

The market value for an issue of Instruments linked to one or more Reference Items will be affected by a number of factors independent of the creditworthiness of the Issuer and the value of the Reference Item(s), including, but not limited to:

- (i) the volatility of the Reference Item(s);
- (ii) where the Reference Item(s) is/are equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item;
- (iii) market interest and yield rates; and
- (iv) the time remaining to maturity for such Instruments.

In addition, the value of any Reference Item may depend on a number of interrelated factors, including economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Reference Item may be traded. The price at which a holder of Instruments will be able to sell any Instruments linked to such Reference Item prior to maturity may be at a discount, which could be substantial, to the market value of such Instruments on the issue date, if, at such time, the market price of the Reference Item(s) is below, equal to or not sufficiently above the market price of the Reference Item(s) on the issue date. The historical market prices of any Reference Item should not be taken as an indication of such Reference Item's future performance during the term of any Instrument.

Instruments linked to one or more Reference Items may include provisions for where a Market Disruption Event (as defined in the relevant Conditions) occurs. Where a Market Disruption Event occurs in relation to any Instruments, the value of such Instruments may be affected and redemption delayed. Prospective purchasers should review the relevant Conditions and the applicable Pricing Supplement to ascertain whether and how such provisions may apply to any Instruments that they are considering purchasing.

Prospective purchasers of Instruments linked to one or more Reference Items should be aware that an investment in such Instruments may involve exchange rate risks. For example, (i) the Reference Item(s) may be issued in a currency other than that of the currency for such Instruments; (ii) such Instruments may be issued in a currency other than the currency of the purchaser's home jurisdiction; and/or (iii) such Instruments may be issued in a currency other than the currency in which a purchaser wishes to receive funds.

Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of Instruments.

Prospective purchasers intending to purchase any Instruments for the purpose of hedging their exposure to any Reference Item(s) should recognise the risks of utilising the Instruments in such manner. No assurance is or can be given that the value of the Instruments will correlate with movements in the value of the Reference Item(s). Furthermore, it may not be possible to liquidate the Instruments at a price which directly reflects the value of the Reference Item(s). Therefore, it is possible that investors could suffer substantial losses in the Instruments notwithstanding losses suffered with respect to investments on or exposure to the Reference Item(s).

Prospective purchasers of Instruments should be aware that hedging transactions in order to limit the risks associated with the Instruments might not be successful.

Because in relation to any Instruments, the Calculation Agent may be the Issuer or an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and Instrumentholders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Conditions that may influence the amount receivable upon redemption of the Instruments.

Neither the Issuer nor any affiliate of the Issuer makes any representation as to the credit quality of any Equity Company. Any of such persons may have acquired, or during the term of the Instruments may acquire, non-public information with respect to any Equity Company. None of such persons is under any obligation to make such information available to holders of Instruments.

The Issuer or any affiliate of the Issuer may have existing or future business relationships with any Equity Company (including, but not limited to, lending, depository, risk management, advisory and banking relationships), and will pursue actions and take steps that they deem or it deems necessary or appropriate to protect their or its interests arising therefrom without regard to the consequences for the Instrumentholders.

An investment in an Instrument linked to one or more Reference Items entitles the Instrumentholder to certain payments calculated by reference to the Reference Items to which the Instrument is linked. It is not an investment directly in the Reference Items themselves. An investment in an Instrument does not entitle the holder of such Instrument to delivery of the Reference Items themselves nor to the beneficial interest in the Reference Items. An Instrument linked to one or more Reference Items will not represent a claim against the relevant Equity Company and, in the event of any loss, a holder of Instruments will not have recourse under an Instrument to any relevant Equity Company.

Prospective investors who consider purchasing any Instruments should reach an investment decision only after carefully considering, with their advisers, the suitability of such Instruments in light of their particular circumstances, the information set forth herein and all relevant information regarding the relevant Instruments and the particular Reference Item(s).

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons ("**Coupons**") attached, or registered form, without Coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**") and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or Section 4(2) under the Securities Act.

Bearer Notes

Each Tranche of Bearer Notes will be initially issued in the form of either a temporary bearer global Note (a "**Temporary Bearer Global Note**") or a permanent bearer global Note (a "**Permanent Bearer Global Note**") as indicated in the applicable Note Pricing Supplement, which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depository (the "**Common Depository**") for Euroclear Bank S.A. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the "**Exchange Date**") which is 40 days after the Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts ("**Receipts**"), coupons ("**Coupons**") and talons attached (as indicated in the applicable Note Pricing Supplement and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Note Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

The applicable Note Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, Receipts, Coupons and talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (ii) only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in the Note Conditions) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise)

or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) at the option of the Issuer at any time. The Issuer will promptly give notice to Noteholders in accordance with the Note Conditions if an Exchange Event occurs. In the event of the occurrence of an Exchange Event as described in (i) or (ii) above, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes which have an original maturity of more than 365 days and on all Receipts and Coupons relating to such Notes:

"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."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, Receipts or Coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, Receipts or Coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global Note in registered form, without Receipts or Coupons, (a "**Regulation S Global Note**") which will (as specified in the applicable Note Pricing Supplement) either be deposited with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream, Luxembourg or be deposited with a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg. Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 of the Notes and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions (i) to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("**QIBs**") or (ii) to "accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act that are institutions ("**Institutional Accredited Investors**") who agree to purchase the Notes for their own account and not with a view to the distribution thereof. The Registered Notes of each Tranche sold to QIBs will be represented by a global Note in registered form, without Receipts or Coupons, (a "**Restricted Global Note**" and, together with a Regulation S Global Note, the "**Registered Global Notes**") which will (as specified in the applicable Note Pricing Supplement) be deposited with a custodian for, and registered in the name of a nominee of, DTC or be deposited with the Common Depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg.

A Restricted Global Note which represents Equity Linked Notes will be deposited only with the Common Depository, will be subject to the restrictions on transfer set forth in Condition 2(i) of the Notes and the Restricted Global Note representing such Note, and such Restricted Global Note will bear the restrictive legend described under "*Notice to Purchasers and Holders of Restricted Instruments and Transfer Restrictions*".

Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Registered Notes of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof ("**Definitive Registered Notes**"). Unless otherwise set forth in the applicable Note Pricing Supplement, Definitive Registered Notes will be issued only in minimum denominations of U.S.\$500,000 and integral multiples of U.S.\$ 1,000 in excess thereof (or the approximate equivalents in the applicable Specified Currency). Definitive Registered Notes will be subject to the restrictions on transfer set forth therein and will bear the restrictive legend described under "*Notice to Purchasers and Holders of Restricted Instruments and Transfer Restrictions*". Institutional Accredited Investors that hold Definitive Registered Notes may not elect to hold such Notes in book-entry form, but transferees acquiring the Notes in transactions exempt from Securities Act registration pursuant to Regulation S or Rule 144 under the Securities Act (if available) may do so upon satisfaction of the requirements applicable to such transfer as described under "*Notice to Purchasers and Holders of Restricted Instruments and Transfer Restrictions*". The Restricted Global Note and the Definitive Registered Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 1 of the Notes) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent and the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 5 of the Notes) immediately preceding the due date for payment in the manner provided in that Condition of the Notes.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes represented by a Global Note held by a nominee for DTC only, DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available, (iii) in the case of Notes represented by a Global Note held by a nominee for DTC only, DTC has ceased to constitute a clearing agency registered under the Exchange Act or in the case of Notes represented by a Global Note held by a nominee for a common depository only, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no alternative or successor clearing system is available or (iv) at the option of the Issuer at any time. The Issuer will promptly give notice to Noteholders in accordance with the Note Conditions if an Exchange Event

occurs. In the event of the occurrence of an Exchange Event as described in (i) to (iii) inclusive above, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note or in the form of a Definitive Registered Note, and Definitive Registered Notes may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such Notes in the form of an interest in a Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. Interests in a Registered Note in definitive form may, subject to compliance with all applicable restrictions, be transferred in whole or in part. In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Note at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. **Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "*Notice to Purchasers and Holders of Restricted Instruments and Transfer Restrictions*".**

General

Pursuant to the Agency Agreement (as defined in the Note Conditions), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period applicable to the Notes of such Tranche.

Subject as set forth in Condition 2(i) of the Notes, for so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard, subject as aforesaid, any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Global Note shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

So long as DTC or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and such

Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Note Pricing Supplement.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10 of such Notes. In such circumstances, and subject as set forth in Condition 2(i) of the Notes, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and DTC on and subject to the terms of a deed of covenant (the "**Deed of Covenant**") dated 20 February 2003, and executed by the Issuer. In addition, holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver Definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC's standard operating procedures.

Form of Note Pricing Supplement

Set out below is the form of Note Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

[Date]

ABN AMRO Bank N.V.

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the Equity Linked Instrument Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Prospectus dated 20 February 2003. This Pricing Supplement is supplemental to and must be read in conjunction with such Prospectus.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs.]

1. Issuer: ABN AMRO Bank N.V. acting through its London branch
2. [i] Series Number: []
[(ii) Tranche Number: []
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
— Tranche: []
— Series: []
5. Issue Price of Tranche: [] per cent. of the Aggregate Nominal Amount
6. Specified Denominations: []
(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)
7. [(i) Issue Date: [and Interest Commencement Date]: []
[(ii) Interest Commencement Date (if different from the Issue Date): []
8. Maturity Date: *[Fixed rate – specify date/
Floating rate – Interest Payment Date falling in or nearest to [specify month]]*
9. Interest Basis: [[] per cent. Fixed Rate]
[[LIBOR/EURIBOR] +/- [] per cent. Floating Rate]

[Zero Coupon]
[Index Linked Interest]
[Equity Linked Interest]
[specify other]
(further particulars specified below)

10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Equity Linked Redemption]
[Dual Currency]
[Partly Paid]
[Instalment]
[specify other]
11. Change of Interest Basis or Redemption/
Payment Basis: [Specify details of any provision for change of
Notes into another Interest Basis or
Redemption/ Payment Basis]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. Listing: [Luxembourg/specify other/None]
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
*(If not applicable, delete the remaining sub-
paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [] per cent. per annum [payable
[annually/semi-annually/quarterly] in arrear]
*(If payable other than annually, consider
amending Condition 4)*
- (ii) Interest Payment Date(s): [] in each year up to and including the
Maturity Date/[specify other] *(NB: This will
need to be amended in the case of long or
short coupons)*
- (iii) Fixed Coupon Amount(s): [] per [] in nominal amount
- (iv) Broken Amount(s): *[Insert particulars of any initial or final
broken interest amounts which do not
correspond with the Fixed Coupon Amount]*
- (v) Day Count Fraction: [30/360 or Actual/Actual (ISMA) or specify
other]
*(NB: If interest is not payable on a regular
basis (for example, if there are Broken
Amounts specified) Actual/Actual (ISMA) may
not be a suitable Day Count Fraction)*
- (vi) Determination Dates: [] in each year *[insert payment date
except where there are long or short periods.*

In these cases insert regular interest payment dates] (NB: Only relevant where Day Count Fraction is Actual/Actual(ISMA))

- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Specified Period(s)/Specified Interest Payment Dates: []
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (iii) Additional Business Centre(s): []
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []
- (vi) Screen Rate Determination:
- Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)
- Interest Determination Date(s): []
(Second London business day prior to the start of each Interest Period if LIBOR (other than sterling or euro LIBOR), first day of each Interest Period if sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
- Relevant Screen Page: []
(In the case of EURIBOR, if not Telerate Page 248 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (vii) ISDA Determination:
- Floating Rate Option: []
- Designated Maturity: []
- Reset Date: []

- (viii) Margin(s): [+/-] per cent. per annum
- (ix) Minimum Rate of Interest: per cent. per annum
- (x) Maximum Rate of Interest: per cent. per annum
- (xi) Day Count Fraction: [Actual/365
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
Other]
(See Condition 4 for alternatives)
- (xii) Fall-back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:
17. Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Accrual Yield: per cent. per annum
- (ii) Reference Price:
- (iii) Any other formula/basis of determining amount payable:
(Consider applicable day count fraction if euro-denominated)
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 6(e)(iii) and (j) apply/specify other]
18. Index Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Index/Formula: [give or annex details]
- (ii) Calculation Agent responsible for calculating the interest due:
- (iii) Provisions for determining coupon where calculation by reference to Index and/or Formula is impossible or impracticable:
- (iv) Specified Period(s)/Specified Interest Payment Dates:
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (vi) Additional Business Centre(s):

- (vii) Minimum Rate of Interest: [] per cent. per annum
- (viii) Maximum Rate of Interest: [] per cent. per annum
- (ix) Day Count Fraction: []
- (x) Any other relevant provisions: []
19. Equity Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable delete the remaining provisions of this paragraph)
- (i) Provisions for determining rate and amount of interest including back-up provisions: []
- (ii) Calculation Agent responsible for calculating the interest due: []
- (iii) Details of Interest Payment Dates, Interest Periods and any Business Day Convention, as applicable: []
- (iv) Additional Business Centre(s): []
- (v) Minimum Rate of Interest: [] per cent. per annum
- (vi) Maximum Rate of Interest: [] per cent. per annum
- (vii) Day Count Fraction: []
- (viii) Any other relevant provisions: [Not Applicable/give details]
20. Dual Currency Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest payable: []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: []
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

21. Issuer Call [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): []

- (iii) If redeemable in part: *[Consider accrued interest]*
- (a) Minimum Redemption Amount:
- (b) Higher Redemption Amount:
- (iv) Notice period (if other than as set out in the Conditions):
22. Investor Put *[Applicable/Not Applicable]*
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s):
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): *[Consideration should be given as to whether the Optional Redemption Amount(s) include amounts in respect of accrued interest (if any) or accrued interest should be due in addition - the Conditions provide that it will be due in addition unless specified otherwise in the Pricing Supplement]*
- (iii) Notice period (if other than as set out in the Conditions):
23. Final Redemption Amount (other than for Index Linked Redemption Notes or Equity Linked Redemption Notes): *[Nominal Amount/specify other/see Appendix]*
24. (A) In the case of Notes other than Equity Linked Redemption Notes or Index Linked Redemption Notes, Early Redemption Amount(s) payable on redemption for taxation reasons (if Condition 6(b) applies: see paragraph 34 below) or on acceleration due to an Event of Default and/or the method of calculating the same (if required or if different from that set out in Condition 6(e)):
- (B) In the case of Equity Linked Redemption Notes or Index Linked Redemption Notes either (i) the method of calculating the Early Redemption Amount in respect of a nominal amount of such Notes equal to the lowest Specified Denomination or (ii) the amount of the Early Redemption Amount in respect of a nominal amount of such Notes equal to the lowest Specified Denomination, in each case payable on redemption for taxation reasons (if Condition 6(b) applies: see paragraph 34 below) or on acceleration due to an Event of Default or on the redemption following the occurrence of De-listing Merger Event, Nationalisation or Insolvency pursuant to Condition 7(b)(iii)(B): *[Consideration should be given as to whether the Early Redemption Amount includes amounts in respect of accrued interest (if any) or accrued interest should be due in addition - the Conditions provide that it will be due in addition unless specified otherwise in the Pricing Supplement]*
25. Index Linked Redemption Notes: *[Applicable/Not Applicable]*
(If not applicable, delete the remaining sub-

paragraphs of this paragraph)

- (i) Whether the Notes relate to a basket of indices or a single index (each an "**Index**") and the identity of the relevant Index/Indices and the Sponsor of each Index: [Basket of Indices/Single Index/details of each Sponsor] [(Give or annex details)]
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount (*N.B. this must be calculated by reference to a nominal amount equal to the lowest Specified Denomination*): []
- (iii) Relevant Exchange: []
- (iv) Final Redemption Amount: [Specify formula - express per a nominal amount of Notes equal to the lowest Specified Denomination]
- (v) Valuation Date: []
- (vi) (a) Averaging Dates: []
(b) Provisions applying in the event of a Market Disruption Event occurring: [Omission/Postponement/Modified Postponement/Not Applicable]
- (vii) Valuation Time: []
- (viii) Strike Price: []
- (ix) Reference Price: []
- (x) Specified Amount: [](To equal lowest Specified Denomination)
- (xi) Market Disruption Event and any provisions for calculation of the Reference Price if the provisions of Condition 7(a)(ii) are not appropriate: [[Applicable - [the provisions of Condition 7(a) (iii) apply]/[insert appropriate provision]]/Not Applicable]
- (xii) Multiplier for each Index comprising the basket: [*Insert details*/Not Applicable]
- (xiii) Other terms or special conditions: [*Insert details*/Not Applicable]
26. Equity Linked Redemption Notes: [Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
- (i) Whether the Notes relate to a basket of equity securities or a single equity security (each an "**Underlying Equity**") and the identity of the relevant issuer(s) of the Underlying Equity/Equities) (each an "**Equity**") [Basket of Underlying Equities/Single Underlying Equity and details of each including identity of the/each Equity Company] [(Give or annex details)]

Company"):

- | | | |
|--------|--|---|
| (ii) | Calculation Agent responsible for calculating the Final Redemption Amount (<i>N.B. this must be calculated by reference to a nominal amount equal to the lowest Specified Denomination</i>): | [] |
| (iii) | Relevant Exchange: | [] |
| (iv) | Potential Adjustment Events: | [Applicable/Not Applicable] |
| (v) | De-listing, Merger Event, Nationalisation and Insolvency: | [Applicable/Not Applicable] |
| (vi) | Final Redemption Amount: | [Specify formula - express per a nominal amount of Notes equal to the lowest Specified Denomination] |
| (vii) | Valuation Date: | [] |
| (viii) | (a) Averaging Dates: | [] |
| | (b) Provisions applying in the event of a Market Disruption Event occurring: | [Omission/Postponement/Modified Postponement/Not applicable?] |
| (ix) | Valuation Time: | [] |
| (x) | Strike Price: | [] |
| (xi) | Reference Price: | [] |
| (xii) | Specified Amount: | [To equal lowest Specified Denomination] |
| (xiii) | Exchange Rate: | [Insert details/Not Applicable] |
| (xiv) | Market Disruption Event and any provisions for calculation of the Reference Price: if the provisions of Condition 7(b)(ii) are not appropriate | [[Applicable - [the provisions of Condition 7(b) (iii) apply]/[insert appropriate provision]]/Not Applicable] |
| (xv) | Multiplier for each Underlying Equity comprising the basket: | [Insert details/Not Applicable] |
| (xvi) | Other terms or special conditions: | [Insert details/Not Applicable] |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Form of Notes: [Bearer Notes: [Not Applicable]
Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event].

- [Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date on [SPECIFY PERIOD] days notice.]
- [Permanent Bearer Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- [Registered Notes: [Not Applicable]]
- Regulation S Global Note (U.S.\$[] nominal amount)/Restricted Global Note (U.S.\$[] nominal amount/Definitive Registered Notes (*specify nominal amounts*))
- [Name of nominee in whose name a Registered Global Note will be registered].
[In relation to a Registered Global Note, specify whether it will be registered in the name of a nominee for DTC or in the name of a common nominee for Euroclear and Clearstream, Luxembourg (N.B. In the case of Equity Linked Notes, such Registered Global Note may only be registered in the name of a common nominee for Euroclear and Clearstream, Luxembourg)]
28. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]
(Note that this item relates to the place of payment and not Interest Period end dates to which items 16 (iii), 18(vi) and 19(iv) relate)
29. Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
30. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. *NB: new forms of Global Note may be required for Partly Paid issues.*]
31. Details relating to Instalment Notes:
 Instalment Amount(s): [Not Applicable/give details]
 Instalment Date(s): [Not Applicable/give details]
32. Redenomination applicable: Redenomination [not] applicable
(if Redenomination is applicable, specify the terms of Redenomination in an Annex to the Pricing Supplement)
33. Other terms or special conditions: [Not Applicable/give details]
34. Whether Condition 8(a) of the Notes applies (in which case Condition 6(b) of the Notes will not apply) or whether Condition 8(b) and Condition 6(b) apply: [Condition 8(a) applies and Condition 6(b) does not apply]/[Condition 8(b) and Condition 6(b) apply] [*Delete as applicable*]

Condition 6(b) of the Notes apply.

DISTRIBUTION

35. If syndicated, names of Managers: [Not Applicable/*give names*]
36. If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
37. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
38. Additional selling restrictions: [Not Applicable/*give details*]

OPERATIONAL INFORMATION

39. Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and DTC and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
40. Delivery: Delivery [against/free of] payment
41. Additional Paying Agent(s) (if any): [Not applicable/*give name(s)*]

ISIN: []

Common Code: []

(insert here any other relevant codes such as CUSIP and CINS codes)

[LISTING APPLICATION

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the Equity Linked Instrument Programme of ABN AMRO Bank N.V.]

RESPONSIBILITY

[Subject as provided below]* [T]he Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By:

Duly authorised

[The information (the "**Reference Information**") on the Reference Items is more particularly described in the Annex hereto. The Reference Information consists only of extracts from, or summaries of, information which is publicly available. The Issuer accepts responsibility that the Reference Information has been correctly extracted or summarised but does not accept any further or other responsibility in respect of the Reference Information. [The Issuer makes no representation that the Reference Information, any other publicly available information or any other publicly available documents regarding [the/any] Equity Company and/or [the/any] Underlying Equities are accurate or complete. There can be no assurance that all events occurring prior to the date of this Pricing Supplement that would affect the trading price of [the/any of] the Underlying Equities (and therefore the trading price and value of the Notes) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure or failure to disclose material future events concerning [the/any] Equity Company or [the/any of] the Underlying Equities could affect the trading price and value of the Notes.]*

* To be deleted if the Annex does not contain Reference Information as appropriate in relation to each Tranche.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of Notes to be issued by the Issuer which will be incorporated by reference into each Global Note (as defined below) and which will be endorsed on (or, if permitted by the rules of the relevant stock exchange and agreed by the Issuer, incorporated by reference into) each definitive Note. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes. The applicable Pricing Supplement will be endorsed on, incorporated by reference into, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" above for a description of the content of Pricing Supplement which includes the definition of certain terms used in the following Terms and Conditions.

This Note is one of a series of Notes issued by ABN AMRO Bank N.V. (the "**Issuer**"), acting through its London Branch, pursuant to the Agency Agreement (as defined below). References herein to the "Notes" shall be references to the Notes of this Series (as defined below) and shall mean (i) in relation to any Notes represented by a Global Note ("**Global Note**"), units of the lowest Specified Denomination in the Specified Currency, (ii) any Global Note, (iii) definitive Notes in bearer form ("**Bearer Notes**") issued in exchange (or part exchange) for a Global Note and (iv) each Note represented by a definitive Note in registered form ("**Registered Notes**") (whether or not issued in exchange for a Global Note in registered form). The Notes, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an Agency Agreement (the "**Principal Agency Agreement**") dated 21st December, 2000 as amended by Supplemental Agency Agreements dated 21st December 2001 and 20 February 2003 together with the Principal Agency Agreement, the "**Agency Agreement**" and made between the Issuer, JP Morgan Chase Bank, London Office, as issuing and principal paying agent (in such capacity the "**Principal Paying Agent**", which expression shall include any successor principal paying agent), The Chase Manhattan Bank, New York Office, as registrar (in such capacity the "**Registrar**", which expression shall include any successor registrar) and as exchange agent (in such capacity the "**Exchange Agent**", which expression shall include any successor exchange agent), the other paying agents named therein (together with the Principal Paying Agent and the Registrar, the "**Paying Agents**", which expression shall include any additional or successor paying agents). Each Paying Agent is also party to the Agency Agreement as a transfer agent (in such capacity each a "**Transfer Agent**" and together the "**Transfer Agents**", which expression shall include any additional or successor transfer agents).

Interest-bearing definitive Bearer Notes (unless otherwise indicated in the applicable Pricing Supplement) have interest coupons ("**Coupons**") and, if indicated in the applicable Pricing Supplement, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Any reference herein to "**Noteholders**" shall, in relation to Bearer Notes, mean the holders of such Notes and, in relation to Registered Notes, mean the registered holders of such Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons. Definitive Registered Notes do not have Receipts or Coupons attached on issue.

The Pricing Supplement for this Note is endorsed hereon or attached hereto or incorporated by reference herein and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References herein to the "applicable Pricing Supplement" are to the Pricing Supplement for this Note.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects (including as to listing) from the date on which such consolidation is expressed to take effect.

The Noteholders, the Receipholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the "**Deed of Covenant**") executed by the Issuer and dated 20 February 2003. The original of the Deed of Covenant is held by a common depository on behalf of Euroclear (as defined below) and Clearstream, Luxembourg (as defined below) and DTC (as defined below).

Copies of the Agency Agreement, the applicable Pricing Supplement and the Deed of Covenant are available at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a Noteholder upon such Noteholder producing evidence as to identity satisfactory to the relevant Paying Agent, Registrar or Transfer Agent, as the case may be. The Noteholders, the Receipholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Pricing Supplement which are binding on them.

Words and expressions defined in the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

1. Form, Denomination and Title

The Notes are either Bearer Notes or Registered Notes as specified in the applicable Pricing Supplement and, in the case of definitive Notes, serially numbered, in the Specified Currency and in the Specified Denomination(s).

This Note may be a Fixed Rate Note, a Floating Rate Note, an Equity Linked Interest Note, a Zero Coupon Note, an Index Linked Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may be an Index Linked Redemption Note, an Equity Linked Redemption Note, an Instalment Note, a Dual Currency Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

The applicable Pricing Supplement will indicate whether Averaging ("**Averaging**") will apply to the Notes. If Averaging is specified as applying in the applicable Pricing Supplement the applicable Pricing Supplement will state the relevant Averaging Dates and, in the case of a Market Disruption Event (as defined in Condition 7) occurring on an Averaging Date, whether Omission, Postponement or Modified Postponement (each as defined in Condition 7 below) applies.

Each Tranche of Bearer Notes will be initially represented by either a temporary global Note or a permanent global Note (as so specified in the applicable Pricing Supplement) without Receipts, Coupons or Talons (each, a "**Temporary Global Note**" or a "**Permanent Global Note**" as applicable) which will be delivered to a common depository (the "**Common Depository**") Euroclear Bank S.A. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream Luxembourg**").

Bearer Notes in definitive form are issued with Coupons and (if applicable) Receipts and Talons attached, unless they are Zero Coupon Notes or otherwise non-interest bearing in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

The Registered Notes of each Tranche offered and sold outside the United States in reliance on Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended, (the "**Securities Act**") will initially be represented by a permanent global Registered Note, without Receipts, Coupons or Talons, (each, a "**Regulation S Global Note**"), which will be (as specified in the applicable Pricing Supplement) either deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("**DTC**") for the accounts of Euroclear and Clearstream, Luxembourg or be deposited with the Common Depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg. Notes in definitive registered form ("**Definitive Registered Notes**") issued in exchange for Regulation S Global Notes or otherwise sold or transferred in reliance on Regulation S under the Securities Act, together with the Regulation S Global Notes, are referred to herein as "Regulation S Notes". With respect to all offers or sales of an unsold allotment or subscription and in any case prior to expiry of the period that ends 40 days after the later of the relevant Issue Date and completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer, in the case of a non-syndicated issue, or by the Lead Manager, in the case of a syndicated issue (the "**Distribution Compliance Period**"), beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person (save as otherwise provided in Condition 2) and may be held only through Euroclear or Clearstream, Luxembourg. After the expiry of such Distribution Compliance Period, beneficial interests in a Regulation S Note may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC.

The Registered Notes of each Tranche sold in private transactions in reliance upon Rule 144A under the Securities Act to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("**QIBs**") will be represented by a permanent global Registered Note, without Receipts, Coupons or Talons (a "**Restricted Global Note**" and, together with any Regulation S Global Note, the "**Registered Global Notes**") which will (as specified in the applicable Pricing Supplement) be either deposited with a custodian for, and registered in the name of a nominee of, DTC or (as specified below) be deposited with the Common Depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg. A Restricted Global Note which represents Equity Linked Notes will be deposited only with the Common Depository, will be subject to the restrictions on transfer set forth in Condition 2(i) below and the Restricted Global Note representing such Note, and such Restricted Global Note will bear the restrictive legend described under "*Notice to Purchasers and Holders of Restricted Instruments and Transfer Restrictions*". Notes in definitive form issued in exchange for Restricted Global Notes or otherwise sold or transferred in accordance with the requirements of Rule 144A under the Securities Act, together with the Restricted Global Notes and any Equity Linked Notes, are referred to herein as "**Restricted Notes**".

The Registered Notes of each Tranche sold to accredited investors (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) ("**Institutional Accredited Investors**") pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act who agree to purchase the Notes for their own account and not with a view to the distribution thereof will be issued as Definitive Registered Notes only, registered in the name of the holder thereof and will not be represented by a Global Note.

Subject as otherwise provided in Condition 2, Notes represented by Definitive Registered Notes may be exchanged or transferred in whole or in part in the Specified Denominations for one or more Definitive Registered Notes of like aggregate nominal amount.

Each Note represented by a Definitive Registered Note will be numbered serially with an identifying number which will be recorded in the register (the "**Register**") which the Issuer shall procure to be kept by the Registrar.

Subject as set out below, title to Bearer Notes, Receipts and Coupons will pass by delivery. Title to Registered Notes will pass upon registration of transfers in the books of the Registrar. The Issuer, any Paying Agent, the Registrar, the Exchange Agent and any Transfer Agent may deem and treat the bearer of any Bearer Note, Receipt or Coupon and any person in whose name a Registered Note is registered as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

Subject as set forth in Condition 2(i), for so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg, as the holder of a particular nominal amount of such Notes (in which regard, subject as aforesaid, any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, any Paying Agent, the Registrar, the Exchange Agent and any Transfer Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose, in the case of a Bearer Global Note, the bearer of the relevant Global Note or, in the case of a Registered Global Note, the registered holder of the relevant Registered Global Note shall be treated by the Issuer, any Paying Agent, the Registrar, the Exchange Agent and any Transfer Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly).

For so long as DTC or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and such Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and DTC, as the case may be. References to Euroclear, Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

2. Transfers of Registered Notes

Registered Notes may not be exchanged for Bearer Notes and vice versa.

(a) Transfers of interests in Registered Global Notes

Subject as provided in paragraphs (d), (e), (f), and (i) below, transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the Specified Denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note held by a nominee for DTC

shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

(b) Transfers of Registered Notes in definitive form

Subject as provided in paragraphs (e), (f) and (g) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the Specified Denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 9 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 6(c), the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) Transfers of interests in Regulation S Global Notes

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

- (i) upon receipt by the Registrar or any Transfer Agent of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "*Transfer Certificate*"), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made:
 - (A) in the case of a transfer of Notes other than Equity Linked Notes, to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
 - (B) in the case of a transfer of Equity Linked Notes, to a person who the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A together with a duly executed investment letter from the relevant transferee substantially in the form set out in the Agency Agreement (an "*Investment Letter*") and in accordance with paragraph (i) below; or
 - (C) to a person who is an Institutional Accredited Investor, together with a duly executed Investment Letter from the relevant transferee; or
- (ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of (A) or (B) above, such transferee may take delivery through a Legended Note in global or definitive form and, in the case of (C) above, such transferee may take delivery only through a Legended Note in definitive form. After expiry of the applicable Distribution Compliance Period (i) beneficial interests in Regulation S Global Notes held by a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

(f) *Transfers of interests in Legended Notes*

Transfers of Legended Notes or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar or any Transfer Agent of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (ii) to a transferee who takes delivery of such interest through a Legended Note:
 - (A) in the case of a transfer of Notes other than Equity Linked Notes where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

- (B) in the case of a transfer of Equity Linked Notes where the transferee is a person who the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, subject to delivery to the Registrar or any Transfer Agent of a Transfer Certificate from the transferor to the effect that such transfer is being made to a QIB, together with a duly executed Investment Letter from the relevant transferee and in accordance with paragraph (i) below; or
 - (C) where the transferee is an Institutional Accredited Investor, subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed Investment Letter from the relevant transferee, or;
- (iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Notes transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC, Euroclear or Clearstream, Luxembourg, as appropriate, and the Registrar will arrange for any Notes which are the subject of such a transfer to be represented by the appropriate Registered Global Note, where applicable. Equity Linked Notes will be eligible to be held only through Euroclear or Clearstream, Luxembourg.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

(g) *Exchanges and transfers of Registered Notes generally*

Holders of Registered Notes in definitive form, other than Institutional Accredited Investors, may exchange such Notes for interests in a Registered Global Note of the same type at any time.

(h) *Definition*

In this Condition:

"**Legended Note**" means Registered Notes in definitive form that are issued to Institutional Accredited Investors and Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A.

(i) *Transfers of interests in Equity Linked Notes*

This paragraph 2(i) applies only to the delivery of Notes referenced in paragraphs 2(e)(i)(B) and 2(f)(ii)(B) above. As a condition precedent to the transfer of any Equity Linked Notes, or any such beneficial interests therein, the holder desiring to transfer such Equity Linked Notes or any beneficial interest therein must cause the proposed transferee thereof to submit to the Registrar or any Transfer Agent (i) the Transfer Certificate and (ii) the duly executed Investment Letter (together, the "**Transfer Documents**"). The Transfer Documents must be duly executed by such proposed transferee or such proposed transferee's attorney duly authorised in writing, at least three Business Days prior to the date the transfer of such Equity Linked Notes is desired. Any attempted transfer in which the Transfer Documents and the proposed transfer was not effected in accordance with the foregoing procedures shall not be valid or binding on the Issuer. In addition, if the Registrar or any Transfer Agent subsequently determines or is subsequently notified by the Issuer that (i) a transfer or attempted or purported transfer of any interest in an Equity Linked Note was consummated in compliance with the provisions of this paragraph on the basis of an incorrect form or certification from the transferee or purported transferee as set forth in the relevant Transfer Documents, or (ii) the holder of any interest in an Equity Linked Note was in breach, at the time given, of any representation or agreement set forth in any Transfer Document or any deemed representation or agreement of such holder, the purported transfer shall be absolutely null and void *ab initio* and shall vest no rights in the purported transferee (such purported transferee, a "**Disqualified Transferee**") and the last preceding holder of such interest that was not a Disqualified Transferee shall be restored to all rights as a holder thereof retroactively to the date of transfer of such interest by such holder.

For the purposes of this paragraph 2(i) "**Business Day**" means a day which is both (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in New York City and in either London or Luxembourg, as appropriate, if the Transfer Documents are submitted to a Transfer Agent other than the Registrar and (ii) a day on which Euroclear and Clearstream, Luxembourg are open for business.

3. **Status of the Notes**

The Notes constitute unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, save for those preferred by mandatory provisions of law.

4. **Interest**

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

If interest is required to be calculated for a period ending other than on an Interest Payment Date, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest:

- (i) if "Actual/Actual (ISMA)" is specified in the applicable Pricing Supplement,
 - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year; or
 - (b) in the case of Notes where the Accrual Period is longer than the Determination Period commencing on the last Interest Payment Date (or, if none, the Interest Commencement Date), the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if "30/360" is specified in the applicable Pricing Supplement, the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

"**Determination Period**" means the period from (and including) a Determination Date to (but excluding) the next Determination Date"; and

"**sub-unit**" means with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) *Interest on Floating Rate Notes and Index Linked Interest Notes*

(i) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate equal to the Rate of Interest payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (B) if no express Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date an "Interest Payment Date") which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) there is no numerically corresponding day in the calendar month on which an Interest Payment Day should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the business day convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (or other date) (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date (or other date) occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day.

In this Condition, "**Business Day**" means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Pricing Supplement; and
- (B) either (1) in relation to interest payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London or any Additional Business Centre and which if the Specified Currency is Australian dollars shall be Sydney) or (2) in relation to interest payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the "**TARGET System**") is open.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of the Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Pricing Supplement.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions as amended and updated as at the Issue Date of the first Tranche of the Notes, published by the International Swaps and Derivatives Association, Inc. (the "ISDA Definitions") and under which:

- (1) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (2) the Designated Maturity is the period specified in the applicable Pricing Supplement; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (LIBOR) or on the Euro-zone inter-bank offered rate ("**EURIBOR**") for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

When this sub-paragraph (A) applies, in respect of each relevant Interest Period the Principal Paying Agent will be deemed to have discharged its obligations under Condition 4(b)(iv) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (A).

(B) Screen Rate Determination

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal

Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest pursuant to this subparagraph (B) in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(iii) Minimum and/or Maximum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be less than such Minimum Rate of Interest and/or if it specifies a Maximum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be greater than such Maximum Rate of Interest.

(iv) Determination of Rate of Interest and Calculation of Interest Amount

The Principal Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest payable in respect of each Specified Denomination (each an "Interest Amount") for the relevant Interest Period.

In the case of Index Linked Interest Notes, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Principal Paying Agent or the Calculation Agent, as the case may be, will calculate the amount of interest (the "Interest Amount") payable on the Floating Rate Notes or Index Linked Interest Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"Day Count Fraction" means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if "Actual/365" or "Actual/Actual (ISDA)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

- (iv) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
 - (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
 - (vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of an Interest Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).
- (v) Notification of Rate of Interest and Interest Amount

The Principal Paying Agent, the Calculation Agent or such other agent as is specified in the applicable Pricing Supplement will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression "London Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

- (vi) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 by the Principal Paying Agent, the Calculation Agent or such other agent as is specified in the applicable Pricing Supplement shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, that other agent, if applicable, the other Paying Agents, the Registrar and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent, the Calculation Agent or that other agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

- (c) *Interest on Equity Linked Interest Notes*

In the case of Equity Linked Interest Notes, the rate and amount of interest shall be determined by reference to the provisions specified in the applicable Pricing Supplement.

(d) *Interest on Dual Currency Notes*

In the case of Dual Currency Notes, if the rate or amount of interest fails to be determined by reference to an Index and/or a Formula or, as the case may be, a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the applicable Pricing Supplement.

(e) *Interest on Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(f) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) the date on which the full amount of the moneys payable has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14.

5. Payments

(a) *Method of Payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or by a cheque in such Specified Currency drawn on a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); and
- (ii) payments in euro will be made by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but subject to the provisions of Condition 8.

(b) *Presentation of definitive Bearer Notes, Receipts and Coupons*

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment only of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment only of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent (in the case of any payments to be made in U.S. dollars, outside the United States).

Notwithstanding the foregoing, U.S. dollar payments of principal and interest in respect of any Bearer Notes will be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (ii) payment of the full amount of such interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

In respect of Bearer Notes in definitive form, payments of instalments of principal (if any), other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment only of any sum due, endorsement) of the relevant Receipt. Payment of the final instalment will be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment only of any sum due, endorsement) of the relevant Bearer Note. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Equity Linked Notes, Index Linked Notes and Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum 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 relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due but in no event thereafter. Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Receipts and Talons (if any) appertaining thereto will become void and no payments in respect of any such Receipts and no further Coupons in respect of any such Talons will be made or issued, as the case may be.

Upon the date on which any Floating Rate Note, Dual Currency Note, Equity Linked Note, Index Linked Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Receipts, Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. Where any such Note is presented for redemption without all unmatured Receipts, Coupons or Talons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the

Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender (or, in the case of part payment only of any sum due, endorsement) of the relevant definitive Bearer Note.

(c) *Payments in respect of Bearer Global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent. A record of each payment made against presentation or surrender of such Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by such Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made.

The holder of a Global Note in bearer form shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note. No person other than the holder of such Global Note shall have any claim against the Issuer in respect of any payments due on such Global Note.

(d) *Payments in respect of Registered Notes*

Payments of principal (other than instalments of principal (if any) prior to the final instalment) in respect of Registered Notes (whether in definitive or global form) will be made in the manner specified in paragraph (a) to the person (or the first named of joint holders) in whose name such Notes are registered in the Register at the close of business on the business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) immediately prior to the relevant payment date against presentation and surrender (or, in the case of part payment only of any sum due, endorsement) of such Registered Notes at the specified office of the Registrar or the Paying Agent in Luxembourg.

Payments of interest due on a Registered Note (whether in definitive or global form) and payments of instalments of principal (if any) due on a Registered Note (other than the final instalment) will be made in the manner specified in paragraph (a) to the person (or the first named of the joint holders) in whose name such Note is registered in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) (the "**Record Date**")) prior to such due date. In the case of payments by cheque, cheques will be mailed to the holder (or the first named of joint holders) at such holder's registered address on the due date.

If payment in respect of any Registered Notes is required to be made by transfer as referred to in paragraph (a) above, application for such payment must be made by the holder to the Registrar not later than the relevant Record Date.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuer, the Paying Agents and the Registrar will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

All amounts payable to DTC or its nominee, Cede & Co., as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for payment in such Specified Currency or conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

The registered holder of a Global Note shall be the only person entitled to receive payments in respect of the Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the registered holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the registered holder of such Global Note. No person other than the holder of such Global Note shall have any claim against the Issuer in respect of any payment due on such Global Note.

(e) Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes (unless otherwise specified in the applicable Pricing Supplement), "**Payment Day**" means any day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) the relevant place of presentation;
 - (B) London; and
 - (C) any Additional Financial Centre specified in the applicable Pricing Supplement; and
- (ii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET System is open; and

- (iii) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

(f) *Interpretation of Principal and Interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8 (if applicable);
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Instalment Notes, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount; and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 (if applicable).

6. Redemption and Purchase

(a) *At Maturity*

Unless previously redeemed or purchased and cancelled as provided in these Terms and Conditions, each Note (unless it is an Index Linked Note or an Equity Linked Note in relation to which see Condition 7) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

(b) *Redemption for Tax Reasons*

If the applicable Pricing Supplement provides that Condition 8(b) applies, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes or Index Linked Interest Notes) or on any Interest Payment Date (in the case of Floating Rate Notes or Index Linked Interest Notes), on giving not less than 30 nor more than 60 days notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable) if, on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of The Netherlands or the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (unless specified otherwise in the applicable Pricing Supplement) with interest accrued to (but excluding) the date of redemption(if any).

(c) Redemption at the Option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Pricing Supplement, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Principal Paying Agent,

(both of which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, unless specified otherwise in the applicable Pricing Supplement with interest accrued to (but excluding) the Optional Redemption Date(s) (if any).

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Higher Redemption Amount, both as indicated in the applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or, as the case may be, DTC, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

(d) Redemption of Notes at the Option of the Noteholders (Investor Put)

If Investor Put is specified in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Pricing Supplement (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, in whole, such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, unless specified otherwise in the applicable Pricing Supplement with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 6(d) in any multiple of their lowest Specified Denomination.

If this Note is in definitive form, to exercise the right to require redemption of this Note its holder must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 10.

(e) *Early Redemption Amounts*

For the purpose of paragraph (b) above, Condition 7(b)(iii)(B)(2) and Condition 10, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of a Note (other than an Equity Linked Note or an Index Linked Note) with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note except where an Instalment Note and/or Partly Paid Note but excluding an Equity Linked Note or an Index Linked Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Pricing Supplement, at its nominal amount;
- (iii) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^x$$

where:

"**RP**" means the Reference Price; and

"**AY**" means the Accrual Yield; and

"**x**" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360 or on such other calculation basis as may be specified in the applicable Pricing Supplement; or

- (iv) in the case of an Equity Linked Note or an Index Linked Note, the Early Redemption Amount in respect of each nominal amount of such Notes equal to the lowest Specified Denomination will be determined by reference to the provisions in the applicable Pricing Supplement.

(f) *Instalments*

Instalment Notes will be repaid in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

(g) *Partly Paid Notes*

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

(h) *Purchases*

The Issuer or any of its subsidiaries may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, re-issued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

(i) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (h) above (together with all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be re-issued or resold.

(j) *Late Payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14.

7. Index Linked Notes and Equity Linked Notes

(a) *Index Linked Notes*

- (i) Unless previously redeemed or purchased and cancelled as provided in these Terms and Conditions, each nominal amount (the "**Specified Amount**") of Index Linked Redemption Notes equal to the lowest Specified Denomination set out in the applicable Pricing Supplement will be redeemed by the Issuer by payment of the Final Redemption Amount on the Maturity Date. The provisions for calculating the Final Redemption Amount will be set out in the applicable Pricing Supplement. The Final Redemption Amount will be rounded to the nearest whole unit in the Specified Currency, half a unit being rounded downwards.

- (ii) For the purposes of this Condition 7(a) and the calculation of the Final Redemption Amount:

"Averaging Date" means each date specified as an Averaging Date in the applicable Pricing Supplement or, if any such date is not an Exchange Business Day, the immediately succeeding Exchange Business Day unless Market Disruption Event is specified as applying in the applicable Pricing Supplement and, in the opinion of the Calculation Agent, a Market Disruption Event has occurred on that day in which case:-

- (a) if "Omission" is specified as applying in the applicable Pricing Supplement, then such date will be deemed not to be an Averaging Date for purposes of determining the Final Redemption Amount provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date on which a Market Disruption Event had occurred; or
- (b) if "Postponement" is specified as applying in the applicable Pricing Supplement, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date on which a Market Disruption Event had occurred irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if "Modified Postponement" is specified as applying in the applicable Pricing Supplement,
- (i) where the Notes are specified in the applicable Pricing Supplement to relate to a single Index, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred as of the Valuation Time on the fifth Exchange Business Day immediately following the original date that, but for the occurrence of another Averaging Date or a Market Disruption Event, would have been the final Averaging Date, then (A) that fifth Exchange Business Day shall be deemed the Averaging Date (irrespective of whether that fifth Exchange Business Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below; and
- (ii) where the Notes are specified in the applicable Pricing Supplement to relate to a basket of Indices, the Averaging Date for each Index not affected by a Market Disruption Event shall be the originally designated Averaging Date and the Averaging Date for an Index affected by the Market Disruption Event shall be the first succeeding Valid Date (as defined below) in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred as of the Valuation Time on the fifth Exchange Business Day immediately following the original date that, but for the occurrence of another Averaging Date or Market Disruption Event, would have been the final Averaging Date, then (A) that fifth Exchange Business Day shall be deemed the Averaging Date (irrespective of whether that fifth Exchange Business Day is already an Averaging Date) in relation to such Index, and (B) the Calculation Agent shall determine the relevant level, price or amount for that

Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of "Valuation Date" below;

for the purposes of these Terms and Conditions, "**Valid Date**" means an Exchange Business Day on which there is no Market Disruption Event and on which another Averaging Date does not or is not deemed to occur;

"**Exchange Business Day**" means a day that is (or, if Market Disruption Event is specified as applying in the applicable Pricing Supplement, a day that but for the occurrence of a Market Disruption Event, would have been) a trading day on the Relevant Exchange specified in the applicable Pricing Supplement other than a day on which trading on the Relevant Exchange is scheduled to close prior to its regular weekday closing time;

"**Market Disruption Event**" means, in respect of an Index, the occurrence or existence on any Exchange Business Day during the one-half hour period that ends at the Valuation Time specified in the applicable Pricing Supplement (or, if no Valuation Time is specified in the applicable Pricing Supplement, the close of trading on the Relevant Exchange) of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise) on:

- (a) the Relevant Exchange in securities/commodities that comprise 20 per cent. or more of the level of the relevant Index, or
- (b) any exchange on which options contracts or futures contracts on the relevant Index are traded in options contracts or futures contracts on that Index,

if, in the determination of the Calculation Agent, in any such case such suspension or limitation is material.

For the purpose of determining whether a Market Disruption Event exists in relation to an Index at any time, if trading in a security/commodity included in that Index is materially suspended or materially limited at that time, then the relevant percentage contribution of that security/commodity to the level of that Index shall be based on a comparison of (i) the portion of the level of that Index attributable to that security/commodity relative to (ii) the overall level of that Index, in each case immediately before that suspension or limitation.

"**Valuation Date**" means the date specified as such in the applicable Pricing Supplement or, if such date is not an Exchange Business Day, the immediately succeeding Exchange Business Day unless Market Disruption Event is specified as applying in the applicable Pricing Supplement and, in the opinion of the Calculation Agent, a Market Disruption Event has occurred on such day in which case:

- (a) where the Notes are specified in the applicable Pricing Supplement to relate to a single Index, the Valuation Date shall be the first succeeding Exchange Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event occurring on each of the five Exchange Business Days immediately following the original date which (but for the Market Disruption Event) would have been the Valuation Date. In that case (i) the fifth Exchange Business Day shall be deemed to be the Valuation Date (notwithstanding the Market Disruption Event) and (ii) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the applicable Pricing Supplement or, if not set out or not practicable, determine the Reference Price by determining the level of the Index as of the Valuation Time specified in the applicable Pricing Supplement (or, if no

Valuation Time is specified in the applicable Pricing Supplement, the official closing time of the Relevant Exchange) on that fifth Exchange Business Day in accordance with the formula for and method of calculating the Index last in effect prior to the commencement of the Market Disruption Event using the Relevant Exchange traded price (or if trading in the relevant security/commodity has been materially suspended or materially limited, its good faith estimate of the Relevant Exchange traded price that would have prevailed but for that suspension or limitation) as of the Valuation Time (or, as the case may be, the official closing time of the Relevant Exchange) on that fifth Exchange Business Day of each security/commodity comprised in the Index; or

- (b) where the Notes are specified in the applicable Pricing Supplement to relate to a Basket of Indices, the Valuation Date for each Index not affected by a Market Disruption Event shall be the originally designated Valuation Date and the Valuation Date for each Index affected (each an "Affected Index") by a Market Disruption Event shall be the first succeeding Exchange Business Day on which there is no Market Disruption Event relating to the Affected Index, unless there is a Market Disruption Event relating to the Affected Index occurring on each of the five Exchange Business Days immediately following the original date which (but for the Market Disruption Event) would have been the Valuation Date. In that case, (i) the fifth Exchange Business Day shall be deemed to be the Valuation Date for the Affected Index (notwithstanding the Market Disruption Event) and (ii) the Calculation Agent shall, where practicable, determine the Reference Price using, in relation to the Affected Index, the level of that Index determined in the manner set out in the applicable Pricing Supplement or, if not set out or not practicable, using the level of that Index as of the Valuation Time specified in the applicable Pricing Supplement (or, if no Valuation Time is specified in the applicable Pricing Supplement, the official closing time of the Relevant Exchange) on that fifth Exchange Business Day determined by reference to the formula for and method of calculating that Index last in effect prior to the commencement of the Market Disruption Event using the Relevant Exchange traded price (or, if trading in the relevant security/commodity has been materially suspended or materially limited, its good faith estimate of the Relevant Exchange traded price that would have prevailed but for that suspension or limitation) as of the Valuation Time on that fifth Exchange Business Day of each security/commodity comprised in that Index and otherwise in accordance with the provisions of the applicable Pricing Supplement.

(iii) Adjustments to an Index:

- (a) Successor Sponsor Calculates and Reports an Index

If an Index is (i) not calculated and announced by the Sponsor specified in the applicable Pricing Supplement but is calculated and announced by a successor to the Sponsor (the "**Successor Sponsor**") acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then that Index will be deemed to be the Index so calculated and announced by the Successor Sponsor or that successor Index, as the case may be.

(b) Modification and Cessation of Calculation of an Index

If (i) on or prior to the Valuation Date or an Averaging Date specified in the applicable Pricing Supplement the Sponsor or (if applicable) the Successor Sponsor makes a material change in the formula for or the method of calculating an Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock, capitalisation, contracts or commodities and other routine events), or (ii) on the Valuation Date or an Averaging Date the Sponsor or (if applicable) the Successor Sponsor fails to calculate and announce the Index, then the Calculation Agent shall determine the Reference Price using, in lieu of a published level for that Index, or as the case may be, the level for that Index as at the Valuation Time on the Valuation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to that change or failure, but using only those securities/commodities that comprised that Index immediately prior to that change or failure (other than those securities that have since ceased to be listed on the Relevant Exchange) and otherwise in accordance with the provisions of the applicable Pricing Supplement.

(c) Notice

Upon the occurrence of an Adjustment to an Index as set out in (a) and/or (b) above, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 14 giving details of the action proposed to be taken in relation thereto.

(b) *Equity Linked Notes*

(i) Unless previously redeemed or purchased and cancelled as provided in these Terms and Conditions, each nominal amount (the "**Specified Amount**") of such Equity Linked Redemption Notes equal to the lowest Specified Denomination set out in the applicable Pricing Supplement will be redeemed by the Issuer by payment of the Final Redemption Amount on the Maturity Date. The provisions for calculating the Final Redemption Amount will be set out in the applicable Pricing Supplement. The Final Redemption Amount will be rounded to the nearest whole unit in the Specified Currency, half a unit being rounded downwards.

(ii) For the purposes of this Condition 7(b) and the calculation of the Final Redemption Amount:

"**Averaging Date**" means each date specified as an Averaging Date in the applicable Pricing Supplement or, if any such date is not an Exchange Business Day, the immediately succeeding Exchange Business Day unless Market Disruption Event is specified as applying in the applicable Pricing Supplement and, in the opinion of the Calculation Agent, a Market Disruption Event has occurred on that day in which case:-

(a) if "Omission" is specified as applying in the applicable Pricing Supplement, then such date will be deemed not to be an Averaging Date for purposes of determining the Final Redemption Amount provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date on which a Market Disruption Event had occurred; or

- (b) if "Postponement" is specified as applying in the applicable Pricing Supplement, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date on which a Market Disruption Event had occurred irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if "Modified Postponement" is specified as applying in the applicable Pricing Supplement,
 - (i) where the Notes are specified in the applicable Pricing Supplement to relate to a single Underlying Equity, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred as of the Valuation Time on the fifth Exchange Business Day immediately following the original date that, but for the occurrence of another Averaging Date or Market Disruption Event, would have been the final Averaging Date, then (A) that fifth Exchange Business Day shall be deemed the Averaging Date (irrespective of whether that fifth Exchange Business Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below; and
 - (ii) where the Notes are specified in the applicable Pricing Supplement to relate to a basket of Underlying Equities, the Averaging Date for each Underlying Equity not affected by a Market Disruption Event shall be the originally designated Averaging Date and the Averaging Date for an Underlying Equity affected by the Market Disruption Event shall be the first succeeding Valid Date (as defined below) in relation to such Underlying Equity. If the first succeeding Valid Date in relation to such Underlying Equity has not occurred as of the Valuation Time on the fifth Exchange Business Day immediately following the original date that, but for the occurrence of another Averaging Date or Market Disruption event, would have been the final Averaging Date, then (A) that fifth Exchange Business Day shall be deemed the Averaging Date (irrespective of whether that fifth Exchange Business Day is already an Averaging Date) in relation to such Underlying Equity, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of "Valuation Date" below;

for the purposes of these Terms and Conditions, "**Valid Date**" means an Exchange Business Day on which there is no Market Disruption Event and on which another Averaging Date does not or is not deemed to occur;

"**Exchange Business Day**" means a day that is (or, if Market Disruption Event is specified as applying in the applicable Pricing Supplement, a day that but for the occurrence of a Market Disruption Event, would have been) a trading day on each Relevant Exchange specified in the applicable Pricing Supplement other than a day on which trading on such Relevant Exchange is scheduled to close prior to its regular weekday closing time;

"Market Disruption Event" means either:

1. in respect of an Underlying Equity, the occurrence or existence on any Exchange Business Day during the one-half hour period that ends at the Valuation Time specified in the applicable Pricing Supplement (or, if no Valuation Time is specified in the applicable Pricing Supplement, the closing of trading on the Relevant Exchange) of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Relevant Exchange or otherwise) in:
 - (A) the Underlying Equity on the Relevant Exchange; or
 - (B) any options contracts or futures contracts on the Underlying Equity on any exchange on which options contracts or futures contracts on the Underlying Equity are traded; or
2. the inability of the Issuer or any of its affiliates to unwind its hedge or related trading position relating to the Notes due to illiquidity,

if, in the determination of the Calculation Agent, that suspension or limitation in trading or illiquidity, as the case may be, is material;

"Valuation Date" means the date specified as such in the applicable Pricing Supplement or, if such date is not an Exchange Business Day, the immediately succeeding Exchange Business Day unless Market Disruption Event is specified as applying in the applicable Pricing Supplement and, in the opinion of the Calculation Agent, a Market Disruption Event has occurred on such day in which case:

- (a) where the Notes are specified in the applicable Pricing Supplement to relate to a single Underlying Equity the Valuation Date shall be the first succeeding Exchange Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event occurring on each of the five Exchange Business Days immediately following the original date which (but for the Market Disruption Event) would have been the Valuation Date. In that case, (i) the fifth Exchange Business Day shall be deemed to be the Valuation Date (notwithstanding the Market Disruption Event) and (ii) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the applicable Pricing Supplement or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the Reference Price that would have prevailed but for the Market Disruption Event as of the Valuation Time specified in the applicable Pricing Supplement (or, if no Valuation Time is specified in the applicable Pricing Supplement, the close of trading on the Relevant Exchange) on that fifth Exchange Business Day; or
- (b) where the Notes are specified in the applicable Pricing Supplement to relate to a Basket of Underlying Equities the Valuation Date for each Underlying Equity not affected by a Market Disruption Event shall be the originally designated Valuation Date and the Valuation Date for each Underlying Equity affected (each an "Affected Equity") by a Market Disruption Event shall be the first succeeding Exchange Business Day on which there is no Market Disruption Event relating to the Affected Equity, unless there is a Market Disruption Event relating to the Affected Equity occurring on each of the five Exchange Business Days immediately following the original date which (but for the Market Disruption Event) would have been the Valuation Date. In that case, (i) the fifth Exchange Business Day shall be deemed to

be the Valuation Date for the Affected Equity (notwithstanding the Market Disruption Event) and (ii) the Calculation Agent shall determine, where practicable, the Reference Price using, in relation to the Affected Equity, a price determined in the manner set out in the applicable Pricing Supplement or, if not set out or not practicable, using its good faith estimate of the price for the Affected Equity that would have prevailed but for the Market Disruption Event as of the Valuation Time specified in the applicable Pricing Supplement (or, if no Valuation Time is specified in the applicable Pricing Supplement, the official closing time of the Relevant Exchange) on that fifth Exchange Business Day and otherwise in accordance with the provisions of the applicable Pricing Supplement.

- (iii) Potential Adjustment Events, De-listing, Merger Event, Nationalisation and Insolvency:
- (A) If Potential Adjustment Events are specified as applying in the applicable Pricing Supplement, following the declaration by an Equity Company of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Underlying Equities and, if so, the Issuer will either (1) make the corresponding adjustment, if any, to any one or more of the Final Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Pricing Supplement as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect and determine the effective date of that adjustment and/or (2) distribute further Notes to each Noteholder in such numbers as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect and determine the terms of issue of such further Notes. The Calculation Agent may (but need not) determine the appropriate adjustment and/or terms of the further issue by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Underlying Equities traded on that options exchange.

Upon making any such adjustment and/or further issue, the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 14, stating the adjustment to any of these Terms and Conditions and/or the applicable Pricing Supplement and/or terms of the further issue and giving brief details of the Potential Adjustment Event.

"Potential Adjustment Event" means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Underlying Equities (other than a Merger Event) or a free distribution or dividend of any such Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution or dividend to existing holders of the relevant Underlying Equities of (1) such Underlying Equities or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Company equally or proportionately with such payments to holders of such Underlying Equities or (3) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend;
- (d) a call by an Equity Company in respect of relevant Underlying Equities that are not fully paid;

- (e) a repurchase by an Equity Company of relevant Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
 - (f) any other event or action having, in the absolute discretion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Underlying Equities.
- (B) If De-listing, Merger Event, Nationalisation and Insolvency is/are specified as applying in the applicable Pricing Supplement, if a De-listing, Merger Event, Nationalisation or Insolvency occurs in relation to any Underlying Equity, the Issuer in its sole and absolute discretion may:
- (1) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Pricing Supplement to account for the De-listing, Merger Event, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment; or
 - (2) by giving notice to the Noteholders in accordance with Condition 14, redeem all, but not some only, of the Notes, each Specified Amount being redeemed at the Early Redemption Amount together (unless specified otherwise in the applicable Pricing Supplement with interest accrued to (but excluding) the date of redemption (if any)).

The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Nationalisation or Insolvency made by an options exchange to options on the Underlying Equities traded on that options exchange.

For the purposes of these Terms and Conditions:

"De-listing" means, in respect of any Underlying Equity, such Underlying Equity ceases, for any reason, to be listed on the Relevant Exchange and as of the date of such de-listing is not listed on another recognised stock exchange or quotation system in the same jurisdiction as the Relevant Exchange;

"Insolvency" means, in relation to an Equity Company, that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of, or any analogous proceeding affecting, that Equity Company (A) all the Underlying Equities of that Equity Company are required to be transferred to a receiver trustee, liquidator or other similar official or (B) holders of the Underlying Equities of that Equity Company become legally prohibited from transferring them;

"Merger Date" means, in respect of a Merger Event, the date upon which all holders of the relevant Underlying Equities (other than, in the case of a take-over offer, Underlying Equities owned or controlled by the offeror), have agreed or have irrevocably become obliged to transfer their Underlying Equities;

"Merger Event" means, in respect of any of the Underlying Equities, any (A) reclassification or change of such Underlying Equities that results in a transfer of, or an irrevocable commitment to transfer, all outstanding Underlying Equities, (B) consolidation, amalgamation or merger of the relevant Equity Company with or into another entity (other

than a consolidation, amalgamation or merger in which such Equity Company is the continuing entity and which does not result in any such reclassification or change of all such outstanding Underlying Equities) or (C) other take-over offer for the relevant Equity Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Equities (other than such Underlying Equities owned or controlled by the offeror), in each case where the Merger Date is on or before the Maturity Date; and

"Nationalisation" means that all the Underlying Equities or all the assets or substantially all the assets of an Equity Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

Upon the occurrence of a De-listing, Merger Event, Nationalisation or Insolvency, the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 14 stating the occurrence of the De-listing, Merger Event, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

8. Taxation

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

In such event, the Issuer will depending on which of (a) or (b) below is specified as applying in the applicable Pricing Supplement either:

- (a) make the required withholding or deduction of such taxes, duties, assessments or governmental charges for the account of the holders of the Notes, Receipts or Coupons, as the case may be, and shall not pay any additional amounts to the holders of the Notes, Receipts, or Coupons; or
- (b) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon presented for payment:
 - (i) by or on behalf of a Noteholder, Receiptholder or Couponholder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with The Netherlands or the United Kingdom other than the mere holding of such Note, Receipt or Coupon or the receipt of principal or interest in respect thereof; or
 - (ii) by or on behalf of a Noteholder, Receiptholder or Couponholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
 - (iii) more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or
 - (iv) where such withholding or deduction is imposed on a payment to an individual and is

required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive;

- (v) by or on behalf of a Noteholder, Receiptholder or Couponholder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

9. Prescription

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

10. Events of Default

If any one or more of the following events (each an "**Event of Default**") shall occur and be continuing:

- (i) default is made for more than 30 days in the payment of interest or principal in respect of the Notes; or
- (ii) the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied; or
- (iii) the Issuer is declared bankrupt, or a declaration in respect of the Issuer is made under Chapter 10 of the Act on the Supervision of the Credit System (Wet toezicht kredietwezen 1992) of The Netherlands; or
- (iv) an order is made or an effective resolution is passed for the winding up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of combination with another company and such company assumes all obligations contracted by the Issuer in connection with the Notes,

then any Noteholder may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare the Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount, together (unless specified otherwise in the applicable Pricing Supplement) with accrued interest accrued to (but excluding) the date of repayment (if any), without presentment, demand, protest or other notice of any kind.

11. Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts, Coupons and Talons) or of the Registrar (in the case of Registered Notes), upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. Agents

The names of the initial Principal Paying Agent, the other initial Paying Agents, the initial Exchange Agent, the initial Registrar and the initial Transfer Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent, Exchange Agent, Registrar or Transfer Agent and/or appoint additional or other Paying Agents, Exchange Agents, Registrar or Transfer Agents and/or approve any change in the specified office through which any of the same acts, provided that:

- (i) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent, which may be the Principal Paying Agent (in the case of Bearer Notes), and, if the Notes are in registered form, a Transfer Agent, which may be the Registrar, with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;
- (ii) there will at all times be a Paying Agent with a specified office in a city in continental Europe;
- (iii) if any European Union directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th – 27th November, 2000 or any law implementing or complying with, or introduced in order to conform to such Directive is introduced, the Issuer will ensure that it maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to any such Directive or law;
- (iv) if the Notes are in registered form, there will at all times be a Registrar and a Transfer Agent having a specified office outside the United Kingdom;
- (v) so long as any of the Registered Global Notes payable in a Specified Currency other than United States dollars are held through DTC or its nominee, Cede & Co., there will at all times be an Exchange Agent with a specified office in New York City;
- (vi) there will at all times be a Principal Paying Agent; and
- (vii) there will at all times be a Paying Agent and a Transfer Agent with a specified office situated outside The Netherlands.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 5(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

Where necessary, the applicable Pricing Supplement will name the Calculation Agent (which may be the Issuer). However, the Issuer reserves the right at any time to appoint another institution as the

Calculation Agent provided that no termination of appointment of the existing Calculation Agent shall become effective until a replacement Calculation Agent shall have been appointed. Notice of any termination or appointment will be given to the Noteholders in accordance with Condition 14.

The Calculation Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship or agency or trust for or with, the Noteholders. Any calculations or determinations in respect of the Noteholders made by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Noteholders.

13. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

14. Notices

Notices to holders of Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an overseas address) by airmail to them at their respective addresses as recorded in the Register and will be deemed to have been validly given on the fourth day after the date of such mailing. If and for so long as Registered Notes are listed on the Luxembourg Stock Exchange, all notices regarding the Registered Notes will also be published in a daily newspaper of general circulation in Luxembourg, which is expected to be the Luxemburger Wort.

All notices regarding the Bearer Notes shall be published (i) in at least one daily newspaper of wide circulation in London and (ii) if and for so long as the Notes are listed on the Luxembourg Stock Exchange, in a daily newspaper of general circulation in Luxembourg. It is expected that such publication will be made in the Financial Times in London (in the case of (i) above) and the Luxemburger Wort (in the case of (ii) above). Any such notice will be deemed to have been given on the date of the first publication in all the newspapers in which such publication is required to be made.

Until such time as any definitive Notes are issued, there may, so long as the Global Note(s) representing the Notes is or are held in its or their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for publication in some or all of the newspapers referred to above the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and, in addition for so long as any Notes are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by that stock exchange (or any other relevant authority). Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent via Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream Luxembourg and/or DTC, as the case may be, may approve for this purpose.

15. Meetings of Noteholders, Modification and Waiver

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or certain provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, Receipts or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes, altering the currency of payment of the Notes, Receipts or Coupons or amending Condition 7), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (i) any modification (except as mentioned above) of any of the provisions of the Agency Agreement, the Notes, the Receipts, the Coupons, these Terms and Conditions and/or the applicable Pricing Supplement which is not materially prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Receipts, the Coupons, these Terms and Conditions, the applicable Pricing Supplement, the Deed of Covenant and/or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

16. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further Notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

17. Substitution of the Issuer

- (a) The Issuer may, without the consent of the Noteholders and any Receiptholders or Couponholders after written approval of the Dutch Central Bank (De Nederlandsche Bank N.V.), be replaced and substituted by any directly or indirectly wholly owned subsidiary of the Issuer (the "**Substituted Debtor**") as principal debtor in respect of the Notes and any attached Receipts and Coupons provided that:
 - (i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (the "**Documents**") and (without

limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder and Couponholder to be bound by these Terms and Conditions, the Deed of Covenant and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Notes, and the relative Receipts and Coupons and the Agency Agreement as the principal debtor in respect of the Notes and the relative Receipts and Coupons in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the "**Guarantee**") in favour of each Noteholder and Couponholder, the payment of all sums (including any additional amounts which may be payable pursuant to Condition 8) payable in respect of the Notes and the relative Receipts and Coupons;

- (ii) where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than The Netherlands or the United Kingdom, the Documents shall contain a covenant and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of a covenant in terms corresponding to the provisions of Condition 8 (as appropriate) with the substitution for the references to The Netherlands and the United Kingdom of references to the territory in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes. The Documents shall also contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Noteholder and Couponholder against all liabilities, costs, charges and expenses, provided that insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective, which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Noteholder or Couponholder by any political sub-division or taxing authority of any country in which such Noteholder or Couponholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
- (iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Noteholder;
- (iv) each stock exchange which has the Notes listed thereon shall have confirmed that following the proposed substitution of the Substituted Debtor the Notes would continue to be listed on such stock exchange;
- (v) the Substituted Debtor shall have delivered to the Principal Paying Agent or procured the delivery to the Principal Paying Agent of a legal opinion from a leading firm of local lawyers acting for the Substituted Debtor to the effect that the Documents constitute legal, valid and binding obligations of the Substitute Debtor, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Principal Paying Agent;

- (vi) the Issuer shall have delivered to the Principal Paying Agent or procured the delivery to the Principal Paying Agent of a legal opinion from either the internal legal adviser to the Issuer or a leading firm of local lawyers acting for the Issuer to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Issuer under Dutch law, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders, Receiptholders and Couponholders at the specified office of the Principal Paying Agent; and
 - (vii) the Issuer shall have delivered to the Principal Paying Agent or procured delivery to the Principal Paying Agent of a legal opinion from a leading firm of English lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under English law, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Principal Paying Agent.
- (b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Noteholder or Couponholder, except as provided in Condition 17(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Notes and any related Receipts and Coupons any indemnification or payment in respect of any tax or other consequences arising from such substitution.
 - (c) Upon the execution of the Documents as referred to in paragraph (a) above, the Substituted Debtor shall be deemed to be named in the Notes and any related Receipts and Coupons as the principal debtor in place of the Issuer and the Notes and any related Receipts and Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Notes, Receipts and the Coupons save that any claims under the Notes and any related Receipts and Coupons prior to release shall endure for the benefit of Noteholders, Receiptholders and Couponholders.
 - (d) The Documents shall be deposited with and held by the Principal Paying Agent for so long as any Notes and any related Receipts or Coupons remain outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder or Couponholder in relation to the Notes and any related Receipts or Coupons or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Noteholder and Couponholder to the production of the Documents for the enforcement of any of the Notes and any related Receipts or the Coupons or the Documents.
 - (e) Not later than 20 days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 14.

18. Illegality

If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Notes has become illegal or impractical in whole or in part for any reason (including as a result of compliance in good faith with any applicable present or future law, rule, regulation, judgement, order or direction of any governmental, administrative, legislative or judicial authority or power

("applicable law")) or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Notes for any reason, the Issuer may at its discretion and without obligation terminate early the Notes by giving notice to the Noteholders in accordance with Condition 14. In such circumstances, the Issuer will, however, if and to the extent permitted by applicable law, pay to each Noteholder in respect of each Note held by him and cancelled pursuant to this Condition an amount equal to the fair market value of such Note immediately prior to such cancellation (as if the Issuer's performance of the Notes were not unlawful under any applicable law) adjusted to take account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any equity options or selling or otherwise realising any Underlying Equity or other instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion together (unless specified otherwise in the applicable Pricing Supplement) with accrued interest to (but excluding) the date of repayment (if any). Payment will be made in such manner as shall notified to the Noteholders in accordance with Condition 14.

19. Governing Law and Submission to Jurisdiction

The Agency Agreement, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

In relation to any legal action or proceedings arising out of or in connection with the Notes, the Receipts and the Coupons ("Proceedings"), the Issuer hereby irrevocably submits for the benefit of the Noteholders, the Receiptholders and the Couponholders to the jurisdiction of the courts of England.

The Issuer appoints ABN AMRO Bank N.V., London Branch at its registered office in London (presently 250 Bishopsgate, London EC2M 4AA) as its agent in England to receive service of process in any Proceedings in England based on any of the Notes, the Receipts or the Coupons. If for any reason such process agent ceases to act as such or no longer has an address in England, the Issuer agrees to appoint a substitute process agent and to notify the Noteholders of such appointment.

20. Contracts (Rights Of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

FORM OF THE CERTIFICATES

The Certificates of each Series will be in either bearer form or registered form. Bearer Certificates will be issued outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**") and Registered Certificates will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or Section 4(2) under the Securities Act.

Bearer Certificates

Each Tranche of Bearer Certificates will be initially issued in the form of either a temporary bearer global Certificate (a "**Temporary Bearer Global Certificate**") or a permanent bearer global Certificate (a "**Permanent Bearer Global Certificate**") as indicated in the applicable Certificate Pricing Supplement, which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depository (the "**Common Depository**") for Euroclear Bank S.A. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Whilst any Bearer Certificate is represented by a Temporary Bearer Global Certificate, payments of any amount payable in respect of the Certificates due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Certificate only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Certificate are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the "**Exchange Date**") which is 40 days after the Temporary Bearer Global Certificate is issued, interests in such Temporary Bearer Global Certificate will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Certificate of the same Series or (ii) for definitive Bearer Certificates of the same Series subject, in the case of definitive Bearer Certificates, to such notice period as is specified in the applicable Certificate Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Certificates. The holder of a Temporary Bearer Global Certificate will not be entitled to collect any payment due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Certificate for an interest in a Permanent Bearer Global Certificate or for definitive Bearer Certificates is improperly withheld or refused.

Payments of any amounts on a Permanent Bearer Global Certificate will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Bearer Global Certificate without any requirement for certification.

The applicable Certificate Pricing Supplement will specify that a Permanent Bearer Global Certificate will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Certificates upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Certificate) to the Principal Paying Agent as described therein or (ii) only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in the Certificate Conditions) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) at the option of the Issuer at any time. The Issuer will promptly give notice to Certificateholders

in accordance with the Certificate Conditions if an Exchange Event occurs. In the event of the occurrence of an Exchange Event as described in (i) or (ii) above, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Certificate) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Certificates which have an original maturity of more than 365 days:

"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."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Certificates and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment in respect of such Certificates.

Certificates which are represented by a Bearer Global Certificate will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Certificates

The Registered Certificates of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global Certificate in registered form (a "**Regulation S Global Certificate**") which will (as specified in the applicable Certificate Pricing Supplement) either be deposited with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream, Luxembourg or be deposited with a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg. Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Certificates, beneficial interests in a Regulation S Global Certificate may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 of the Certificates and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Certificate will bear a legend regarding such restrictions on transfer.

The Registered Certificates of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions (i) to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("**QIBs**") or (ii) to "accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act that are institutions ("**Institutional Accredited Investors**") who agree to purchase the Certificates for their own account and not with a view to the distribution thereof. The Registered Certificates of each Tranche sold to QIBs will be represented by a global Certificate in registered form (a "**Restricted Global Certificate**" and, together with a Regulation S Global Certificate, the "**Registered Global Certificates**") which will (as specified in the applicable Certificate Pricing Supplement) be deposited with a custodian for, and registered in the name of a nominee of, DTC or be deposited with the Common Depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg.

A Restricted Global Certificate which represents Equity Linked Certificates will be deposited only with the Common Depository, will be subject to the restrictions on transfer set forth in Condition 2(h)

of the Certificates and the Restricted Global Certificate representing such Certificate, and such Restricted Global Certificate will bear the restrictive legend described under "*Notice to Purchasers and Holders of Restricted Instruments and Transfer Restrictions*".

Persons holding beneficial interests in Registered Global Certificates will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Certificates in fully registered form.

The Registered Certificates of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof ("**Definitive Registered Certificates**"). Definitive Registered Certificates will be issued only in such Specified Number as set forth in the applicable Certificate Pricing Supplement, the product of such Specified Number multiplied by the Issue Price being not less than U.S.\$500,000 (or its appropriate equivalent in the relevant currency). Definitive Registered Certificates will be subject to the restrictions on transfer set forth therein and will bear the restrictive legend described under "*Notice to Purchasers and Holders of Restricted Instruments and Transfer Restrictions*". Institutional Accredited Investors that hold Definitive Registered Certificates may not elect to hold such Certificates in book-entry form, but transferees acquiring the Certificates (other than Equity Linked Certificates) in transactions exempt from Securities Act registration pursuant to Regulation S or Rule 144 under the Securities Act (if available) may do so upon satisfaction of the requirements applicable to such transfer as described under "*Notice to Purchasers and Holders of Restricted Instruments and Transfer Restrictions*". The Restricted Global Certificate and the Definitive Registered Certificates will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of any amount in respect of the Registered Global Certificates will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 1 of the Certificates) as the registered holder of the Registered Global Certificates. None of the Issuer, any Paying Agent and the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Interests in a Registered Global Certificate will be exchangeable (free of charge), in whole but not in part, for definitive Registered Certificates only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Certificates represented by a Global Certificates held by a nominee for DTC only, DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Certificates and no alternative clearing system is available, (iii) in the case of Certificates represented by a Global Certificate held by a nominee for DTC only, DTC has ceased to constitute a clearing agency registered under the Exchange Act or in the case of Certificates represented by a Global Certificate held by a nominee for a common depository only, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no alternative or successor clearing system is available or (iv) at the option of the Issuer at any time. The Issuer will promptly give notice to Certificateholders in accordance with the Certificate Conditions if an Exchange Event occurs. In the event of the occurrence of an Exchange Event as described in (i) to (iii) inclusive above, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Certificate) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Certificate may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Certificate or in the form of a Definitive Registered Certificate, and Definitive Registered Certificates may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such Certificates in the form of an interest in a Registered Global Certificate. No beneficial owner of an interest in a Registered Global Certificate will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. Interests in a Registered Certificate in definitive form may, subject to compliance with all applicable restrictions, be transferred in whole or in part. In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Certificate at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. **Registered Certificates are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "*Notice to Purchasers and Holders of Restricted Instruments and Transfer Restrictions*".**

General

Pursuant to the Agency Agreement (as defined in the Certificate Conditions), the Principal Paying Agent shall arrange that, where a further Tranche of Certificates is issued which is intended to form a single Series with an existing Tranche of Certificates, the Certificates of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Certificates of any other Tranche of the same Series until at least the expiry of the distribution compliance period applicable to the Certificates of such Tranche.

Subject as set forth in Condition 2(h) of the Certificates, for so long as any of the Certificates is represented by a Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular number of such Certificates (in which regard, subject as aforesaid, any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the number of such Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and its agents as the holder of such number of such Certificates for all purposes other than with respect to the payments in respect of such Certificates, for which purpose the bearer of the relevant Bearer Global Certificate or the registered holder of the relevant Global Certificate shall be treated by the Issuer and its agents as the holder of such number of such Certificates in accordance with and subject to the terms of the relevant Global Certificate (and the expressions "**Certificateholder**" and "**holder of Certificates**" and related expressions shall be construed accordingly).

So long as DTC or its nominee is the registered owner or holder of a Registered Global Certificate, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Certificates represented by such Registered Global Certificate for all purposes under the Agency Agreement and such Certificates except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Certificate Pricing Supplement.

A Certificate may be accelerated by the holder thereof in certain circumstances described in Condition 8 of such Certificates. In such circumstances, and subject as set forth in Condition 2(h) of the Certificates, where any Certificate is still represented by a Global Certificate and the Global Certificate (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Certificates and payment in full of the amount due has not been made in accordance with the provisions of the Global Certificate then holders of interests in such Global Certificate credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and DTC on and subject to the terms of a deed of covenant (the "**Deed of Covenant**") dated 20 February 2003 and executed by the Issuer. In addition, holders of interests in such Global Certificate credited to their accounts with DTC may require DTC to deliver Definitive Certificates in registered form in exchange for their interest in such Global Certificate in accordance with DTC's standard operating procedures.

Form of Certificate Pricing Supplement

Set out below is the form of Certificate Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

[Date]

ABN AMRO Bank N.V.

Issue of [Number of Tranche] [Title of Certificates] under the Equity Linked Instrument Programme

This document constitutes the Pricing Supplement relating to the issue of Certificates described herein. Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Prospectus dated 20 February 2003. This Pricing Supplement is supplemental to and must be read in conjunction with such Prospectus.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs.]

1. Issuer: ABN AMRO Bank N.V., acting through its London branch
2. [i] Series Number: []
[(ii) Tranche Number: []
(If fungible with an existing Series, details of that Series, including the date on which the Certificates become fungible)
3. Number of Certificates issued:
— Tranche: []
— Series: []
4. Issue Price per Certificate: []
5. Specified Number of Certificates represented by Definitive Registered Certificates (the "Specified Number") on issue and which can be transferred at any time: [insert number/Not Applicable][N.B. *The product of the Specified Number multiplied by the Issue Price per Certificate must not be less than U.S.\$ 500,000 or its equivalent in any other relevant currency*]
6. Issue Date: []
7. Final Redemption Amount Payment Date: [] Business Days following the Valuation Date
[N.B. Definition of Business Day to be included]
8. Type of Certificate: [Index Linked/Equity Linked/other]
9. Listing: [Luxembourg/specify other/None]
10. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO REDEMPTION

11. The method of calculating the Early Redemption Amount in respect of each Certificate or the amount of the Early Redemption Amount in respect of each Certificate specifying in each case the currency in which such Early Redemption Amount is payable, in each case payable on acceleration due to an Event of Default or on redemption following the occurrence of Delisting, Merger Event, Nationalisation or Insolvency pursuant to Condition 5(d)(iii)(A):
12. Index Linked Certificates: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Whether the Certificates relate to a basket of indices or a single index (each an "**Index**") and the identity of the relevant Index/Indices and the Sponsor of each Index: [Basket of Indices/Single Index/details of each Sponsor]
[[Give or annex details]]
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount (N.B. this must be calculated by reference to each Certificate):
- (iii) Relevant Exchange:
- (iv) Final Redemption Amount and the currency in which such Final Redemption Amount is payable: [include relevant provisions - *express per Certificate*]
- (v) Valuation Date:
- (vi) (a) Averaging Dates:
- (b) Provisions applying in the event of a Market Disruption Event occurring: [Omission/Postponement/Modified Postponement/Not Applicable]
- (vii) Valuation Time:
- (viii) Reference Price:
- (ix) Specified Amount:
- (x) Market Disruption Event and any provisions for the calculation of the Reference Price if the provisions of Condition 5(d)(ii) not appropriate: [Applicable [[the provisions of Condition 5(d)(ii) apply]/[insert appropriate provisions]]/Not Applicable]
- (xi) Multiplier for each Index comprising the basket: [Insert details/Not Applicable]
- (xii) Other terms or special conditions: [Insert details/Not Applicable]

13. Equity Linked Certificates: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Whether the Certificates relate to a basket of equity securities or a single equity security (each an "**Underlying Equity**") and the identity of the relevant issuer(s) of the Underlying Equity/Equities) (each an "**Equity Company**"):
[Basket of Underlying Equities/Single Underlying Equity and details of each including identity of the/each Equity Company]
[Give or annex details]
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount: []
- (iii) Relevant Exchange: []
- (iv) Potential Adjustment Events: [Applicable/Not Applicable]
- (v) De-listing, Merger Event, Nationalisation and Insolvency: [Applicable/Not Applicable]
- (vi) Final Redemption Amount and the currency in which such Final Redemption Amount is payable: [Include relevant provisions - *express per Certificate*]
- (vii) Valuation Date: []
- (viii) (a) Averaging Dates: []
(b) Provisions applying in the event of a Market Disruption Event occurring: [Omission/Postponement/Modified Postponement/Not Applicable]
- (ix) Valuation Time: []
- (x) Reference Price: []
- (xi) Specified Amount: []
- (xii) Exchange Rate: *[Insert details/Not Applicable]*
- (xiii) Market Disruption Event and any provisions for calculation of the Reference Price in if the provisions of Condition 5(d)(iii) are not appropriate: [Applicable [[the provisions of Condition 5(d)(iii) apply]/*insert appropriate provisions*]/Not Applicable]
- (xiv) Multiplier for each Underlying Equity comprising the basket: *[Insert details/Not Applicable]*
- (xv) Other terms or special conditions: *[Insert details/Not Applicable]*

GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES

14. Form of Certificates: [[Bearer Certificates: [Not Applicable]/
Temporary Bearer Global Certificate exchangeable for a Permanent Bearer Global Certificate which is exchangeable for Definitive Certificates [on 60 days' notice given at any time/only upon an Exchange

Event].

[Temporary Bearer Global Certificate exchangeable for Definitive Certificates on and after the Exchange Date on [SPECIFY PERIOD] days notice.]

[Permanent Bearer Global Certificates exchangeable for Definitive Certificates [on 60 days' notice given at any time/only upon an Exchange Event].]

[Registered Certificates: [Not Applicable]/

Regulation S Global Certificate initially representing [] Certificates/Restricted Global Certificate (initially representing [] Certificates)/Definitive Registered Certificates (*specify numbers of certificates*)]

[Name of nominee in whose name a Registered Global Certificate will be registered]. [*In relation to a Registered Global Certificate, specify whether it will be registered in the name of a nominee for DTC or in the name of a common nominee for Euroclear and Clearstream, Luxembourg (N.B. In the case of Equity Linked Certificates, such Registered Global Certificate may only be registered in the name of a common nominee for Euroclear and Clearstream, Luxembourg)*]]

15. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]

16. Redenomination applicable: Redenomination [not] applicable (if Redenomination is applicable, specify the terms of Redenomination in an Annex to the Pricing Supplement)

17. Other terms or special conditions: [Not Applicable/give details]

DISTRIBUTION

18. If syndicated, names of Managers: [Not Applicable/give names]

19. If non-syndicated, name of relevant Dealer: [Not Applicable/give name]

20. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]

21. Additional selling restrictions: [Not Applicable/give details]

OPERATIONAL INFORMATION

22. Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and DTC and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

23. Delivery: Delivery [against/free of] payment

24. Additional Paying Agent(s) (if any): [Not Applicable/give name(s)]
25. Option to vary settlement: [Applicable/Not Applicable]
(if Not Applicable delete following paragraph)

[Each Certificate holder may give notice to the Issuer not earlier than [] days before the Cut-off Date requesting that the Certificates of such holder be redeemed by delivery of the Number of Underlying Equities in lieu of payment of the Final Redemption Amount and the Issuer shall be required to agree to such request unless the Issuer shall have determined in its sole and absolute discretion that delivery of the Number of Underlying Equities is or would be impractical, inadvisable, impossible [or unduly onerous to the Issuer], or is or would be unlawful in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power. The inability or failure, as the case may be, of the Certificateholder to give any relevant certification required or requested by the Issuer or any clearing agent in connection with such delivery shall allow the Issuer to redeem the Certificates by payment of the Final Redemption Amount and not by delivery of the Number of Underlying Equities. The Issuer will give notice to the Certificateholder not later than the Final Redemption Amount Payment Date if, following a notice from the Certificateholder for delivery of the Number of Underlying Equities, such delivery will not take place for any of the reasons aforementioned.

As used above:

"**Cut-off Date**" means []; and

"**Number of Underlying Equities**" means [].]

ISIN: []

Common Code: []

(insert here any other relevant codes such as CUSIP and CINS codes)

[LISTING APPLICATION]

This Pricing Supplement comprises the details required to list the issue of Certificates described herein pursuant to the Equity Linked Instrument Programme of ABN AMRO Bank N.V.]

RESPONSIBILITY

[Subject as provided below]* [T]he Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By:

Duly authorised

[The information (the "**Reference Information**") on the Reference Items is more particularly described in the Annex hereto. The Reference Information consists only of extracts from, or summaries of, information which is publicly available. The Issuer accepts responsibility that the Reference Information has been correctly extracted or summarised but does not accept any further or other responsibility in respect of the Reference Information. [The Issuer makes no representation that the Reference Information, any other publicly available information or any other publicly available

documents regarding [the/any] Equity Company and/or [the/any] Underlying Equities are accurate or complete. There can be no assurance that all events occurring prior to the date of this Pricing Supplement that would affect the trading price of [the/any of] the Underlying Equities (and therefore the trading price and value of the Certificates) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure or failure to disclose material future events concerning [the/any] Equity Company or [the/any of] the Underlying Equities could affect the trading price and value of the Certificates.]*

* To be deleted if the Annex does not contain Reference Information as appropriate in relation to each Tranche

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the Terms and Conditions of Certificates to be issued by the Issuer which will be incorporated by reference into each Global Certificate (as defined below) and which will be endorsed on (or, if permitted by the rules of the relevant stock exchange and agreed by the Issuer, incorporated by reference into) each definitive Certificate. The applicable Pricing Supplement in relation to any Tranche of Certificates may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Certificates. The applicable Pricing Supplement will be endorsed on, incorporated by reference into, or attached to, each Global Certificate and definitive Certificate. Reference should be made to "Form of the Certificates" above for a description of the content of Pricing Supplement which includes the definition of certain terms used in the following Terms and Conditions.

This Certificate is one of a series of Certificates issued by ABN AMRO Bank N.V. (the "**Issuer**"), acting through its London Branch, pursuant to the Agency Agreement (as defined below). References herein to the "Certificates" shall be references to the Certificates of this Series (as defined below) and shall mean (i) in relation to any Certificates represented by a Global Certificate ("**Global Certificate**") each Certificate so represented, (ii) any Global Certificate, (iii) definitive Certificates in bearer form ("**Bearer Certificates**") issued in exchange (or part exchange) for a Global Certificate and (iv) each Certificate represented by a definitive Certificate in registered form ("**Registered Certificates**") (whether or not issued in exchange for a Global Certificate in registered form). The Certificates also have the benefit of an Agency Agreement (the "**Principal Agency Agreement**") dated 21st December, 2000 as amended by Supplemental Agency Agreements dated 21st December 2001 and 20 February 2003 together with the Principal Agency Agreement, the "**Agency Agreement**" and made between the Issuer, JP Morgan Chase Bank, London Office, as issuing and principal paying agent (in such capacity the "**Principal Paying Agent**", which expression shall include any successor principal paying agent), The Chase Manhattan Bank, New York Office, as registrar (in such capacity the "**Registrar**", which expression shall include any successor registrar) and as exchange agent (in such capacity the "**Exchange Agent**", which expression shall include any successor exchange agent), the other paying agents named therein (together with the Principal Paying Agent and the Registrar, the "**Paying Agents**", which expression shall include any additional or successor paying agents). Each Paying Agent is also party to the Agency Agreement as a transfer agent (in such capacity each a "**Transfer Agent**" and together the "**Transfer Agents**", which expression shall include any additional or successor transfer agents).

Any reference herein to "**Certificateholders**" shall, in relation to Bearer Certificates, mean the holders of such Certificates and, in relation to Registered Certificates, mean the registered holders of such Certificates and shall, in relation to any Certificates represented by a Global Certificate, be construed as provided below.

The Pricing Supplement for this Certificate is endorsed hereon or attached hereto or incorporated by reference herein and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Certificate. References herein to the "applicable Pricing Supplement" are to the Pricing Supplement for this Certificate.

As used herein, "**Tranche**" means Certificates which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Certificates together with any further Tranche or Tranches of Certificates which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects (including as to listing) from the date on which such consolidation is expressed to take effect.

The Certificateholders are entitled to the benefit of the Deed of Covenant (the "**Deed of Covenant**") executed by the Issuer and dated 20 February 2003. The original of the Deed of Covenant is held by a common depository on behalf of Euroclear (as defined below) and Clearstream, Luxembourg (as defined below) and DTC (as defined below).

Copies of the Agency Agreement, the applicable Pricing Supplement and the Deed of Covenant are available at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents save that a Pricing Supplement relating to an unlisted Certificate will only be available for inspection by a Certificateholder upon such Certificateholder producing evidence as to identity satisfactory to the relevant Paying Agent, Registrar or Transfer Agent, as the case may be. The Certificateholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Pricing Supplement which are binding on them.

Words and expressions defined in the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

1. Form, Type and Title

The Certificates are either Bearer Certificates or Registered Certificates as specified in the applicable Pricing Supplement and, in the case of definitive Certificates, serially numbered.

The Certificates are Index Linked Certificates, Equity Linked Certificates or any other or further type of Certificates as are specified in the applicable Pricing Supplement. Certain terms which will, unless otherwise varied in the applicable Pricing Supplement, apply to Index Linked Certificates or Equity Linked Certificates are set out in Condition 5.

The Certificates will not bear interest.

The applicable Pricing Supplement will indicate whether Averaging ("**Averaging**") will apply to the Certificates. If Averaging is specified as applying in the applicable Pricing Supplement the applicable Pricing Supplement will state the relevant Averaging Dates and, in the case of a Market Disruption Event (as defined in Condition 5) occurring on an Averaging Date, whether Omission, Postponement or Modified Postponement (each as defined in Condition 5 below) applies.

Each Tranche of Bearer Certificates will be initially represented by either a temporary global Certificate or a permanent global Certificate (as so specified in the applicable Pricing Supplement) (each, a "**Temporary Global Certificate**" or a "**Permanent Global Certificate**" as applicable) which will be delivered to a common depository (the "**Common Depository**") for Euroclear Bank S.A. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream Luxembourg**").

The Registered Certificates of each Tranche offered and sold outside the United States in reliance on Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended, (the "**Securities Act**") will initially be represented by a permanent global Registered Certificate (each, a "**Regulation S Global Certificate**"), which will (as specified in the applicable Pricing Supplement) either be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("**DTC**") for the accounts of Euroclear and Clearstream, Luxembourg or be deposited with a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg. Certificates in definitive registered form ("**Definitive Registered Certificates**") issued in exchange for Regulation S Global Certificates or otherwise sold or transferred in reliance on Regulation S under the Securities Act, together with the Regulation S Global Certificates, are referred to herein as "Regulation S Certificates". With respect to all offers or sales of an unsold allotment or subscription and in any case prior to expiry of the period that ends 40 days after the later of the relevant Issue Date and completion of the distribution of each Tranche of Certificates, as certified by the relevant Dealer, in the case of a non-syndicated issue, or by the Lead

Manager, in the case of a syndicated issue (the "**Distribution Compliance Period**"), beneficial interests in a Regulation S Global Certificate may not be offered or sold to, or for the account or benefit of, a U.S. person (save as otherwise provided in Condition 2) and may be held only through Euroclear or Clearstream, Luxembourg. After the expiry of such Distribution Compliance Period, beneficial interests in a Regulation S Certificate may be held through DTC directly by a participant in DTC or indirectly through a participant in DTC.

The Registered Certificates of each Tranche other than any Equity Linked Certificates sold in private transactions in reliance upon Rule 144A under the Securities Act to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("**QIBs**") will be represented by a permanent global Registered Certificate (a "**Restricted Global Certificate**" and, together with any Regulation S Global Certificates, the "**Registered Global Certificates**") which will (as specified in the applicable Pricing Supplement) either be deposited with a custodian for, and registered in the name of a nominee of, DTC or (as specified below) be deposited with the Common Depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg. A Restricted Global Certificate which represents Equity Linked Certificates will be deposited only with the Common Depository, will be subject to the restrictions on transfer set forth in Condition 2(h) below and the Restricted Global Certificate representing such Certificate, and such Restricted Global Certificate will bear the restrictive legend described under "*Notice to Purchasers and Holders of Restricted Instruments and Transfer Restrictions*". Certificates in definitive form issued in exchange for Restricted Global Certificates or otherwise sold or transferred in accordance with the requirements of Rule 144A under the Securities Act, together with the Restricted Global Certificates and any Equity Linked Certificates, are referred to herein as "**Restricted Certificates**".

The Registered Certificates of each Tranche sold to accredited investors (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act ("**Institutional Accredited Investors**") pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act who agree to purchase the Certificates for their own account and not with a view to the distribution thereof will be issued as Definitive Registered Certificates only, registered in the name of the holder thereof and will not be represented by a Global Certificate.

Subject as otherwise provided in Condition 2, Certificates represented by Definitive Registered Certificates may be exchanged or transferred in whole numbers for one or more Definitive Registered Certificates of like aggregate numbers.

Each Certificate represented by a Definitive Registered Certificate will be numbered serially with an identifying number which will be recorded in the register (the "**Register**") which the Issuer shall procure to be kept by the Registrar.

Subject as set out below, title to Bearer Certificates will pass by delivery. Title to Registered Certificates will pass upon registration of transfers in the books of the Registrar. The Issuer, any Paying Agent, the Registrar, the Exchange Agent and any Transfer Agent may deem and treat the bearer of any Bearer Certificate and any person in whose name a Registered Certificate is registered as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Certificate, without prejudice to the provisions set out in the next succeeding paragraph.

Subject as set forth in Condition 2(h), for so long as any of the Certificates is represented by a Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg, as the holder of a particular number of such Certificates (in which regard, subject as aforesaid, any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the number of such Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, any Paying Agent, the Registrar, the Exchange Agent and any Transfer Agent as the holder of

such number of such Certificates for all purposes other than with respect to payments in respect of such Certificates, for which purpose, in the case of a Bearer Global Certificate, the bearer of the Bearer Global Certificate or, in the case of a Registered Global Certificate, the registered holder of the relevant Registered Global Certificate shall be treated by the Issuer, any Paying Agent, the Registrar, the Exchange Agent and any Transfer Agent as the holder of such number of such Certificates in accordance with and subject to the terms of the relevant Global Certificate (and the expressions "**Certificateholder**" and "**holder of Certificates**" and related expressions shall be construed accordingly).

For so long as DTC or its nominee is the registered owner or holder of a Registered Global Certificate, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Certificates represented by such Registered Global Certificate for all purposes under the Agency Agreement and such Certificates except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Certificates which are represented by a Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and DTC, as the case may be. References to Euroclear, Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

2. Transfers of Registered Certificates

Registered Certificates may not be exchanged for Bearer Certificates and vice versa.

(a) Transfers of interests in Registered Global Certificates

Subject as provided in paragraphs (d), (e), (f) and (h) below, transfers of beneficial interests in Registered Global Certificates will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Certificates in definitive form or for a beneficial interest in another Registered Global Certificate only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Certificate held by a nominee for DTC shall be limited to transfers of such Registered Global Certificate, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

(b) Transfers of Registered Certificates in definitive form

Subject as provided in paragraphs (d), (e) and (f) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Certificate in definitive form may be transferred in whole numbers of Certificates represented thereby only. In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Certificate for registration of the transfer of the Registered Certificate (or the relevant part of the Registered Certificate) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful

enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 9 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Certificate in definitive form of a like aggregate number to the Registered Certificate (or the relevant number of the Registered Certificate) transferred. In the case of the transfer of part only of Certificates represented by a Registered Certificate in definitive form, a new Registered Certificate in definitive form in respect of the number of Certificates represented by the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) *Costs of registration*

Certificateholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(d) *Transfers of interests in Regulation S Global Certificates*

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Certificate to a transferee in the United States or who is a U.S. person will only be made:

- (i) upon receipt by the Registrar or any Transfer Agent of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "**Transfer Certificate**"), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Certificate or beneficial interest therein to the effect that such transfer is being made:
 - (A) in the case of a transfer of Certificates other than Equity Linked Certificates to a person who the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
 - (B) in the case of a transfer of Equity Linked Certificates to a person who the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, together with a duly executed investment letter from the relevant transferee substantially in the form set out in the Agency Agreement (an "**Investment Letter**") and in accordance with paragraph (h) below; or
 - (C) to a person who is an Institutional Accredited Investor, together with a duly executed Investment Letter from the relevant transferee; or
- (ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require,

which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of (A) or (B) above, such transferee may take delivery through a Legended Certificate in global or definitive form and, in the case of (C) above, such transferee may take delivery only through a Legended Certificate in definitive form. After expiry of the applicable Distribution Compliance Period (i) beneficial interests in Regulation S Global Certificates held by a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

(e) *Transfers of interests in Legended Certificates*

Transfers of Legended Certificates or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Regulation S Global Certificate, upon receipt by the Registrar or any Transfer Agent of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Certificates being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (ii) to a transferee who takes delivery of such interest through a Legended Certificate:
 - (A) in the case of a transfer of Certificates other than Equity Linked Certificates where the transferee is a person who the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
 - (B) in the case of a transfer of Equity Linked Certificates where the transferee is a person who the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, subject to delivery to the Registrar or any Transfer Agent of a Transfer Certificate from the transferor to the effect that such transfer is being made to a QIB, together with a duly executed Investment Letter from the relevant transferee in accordance with paragraph (h) below; or
 - (C) where the transferee is an Institutional Accredited Investor, subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed Investment Letter from the relevant transferee; or
- (iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Certificates transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC, Euroclear or Clearstream, Luxembourg, as appropriate, and the Registrar will arrange for any Certificates which are the subject of such a transfer to be represented by the appropriate Registered Global Certificate, where applicable. Equity Linked Certificates will be eligible to be held only through Euroclear or Clearstream, Luxembourg.

Upon the transfer, exchange or replacement of Legended Certificates, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Certificates or refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

(f) *Exchanges and transfers of Registered Certificates generally*

Holders of Registered Certificates in definitive form, other than Institutional Accredited Investors may exchange such Notes for interests in a Registered Global Certificate of the same type at any time.

(g) *Definition*

In this Condition:

"**Legended Certificate**" means Registered Certificates in definitive form that are issued to Institutional Accredited Investors and Registered Certificates (whether in definitive form or represented by a Registered Global Certificate) sold in private transactions to QIBs in accordance with the requirements of Rule 144A.

(h) *Transfers of interests in Equity Linked Certificates*

This paragraph 2(h) applies only to the delivery of Certificates referenced in paragraphs 2(d)(i)(B) and 2(e)(ii)(B) above. As a condition precedent to the transfer of any Equity Linked Certificates, or any such beneficial interests therein, the holder desiring to transfer such Equity Linked Certificates or any beneficial interest therein must cause the proposed transferee thereof to submit to the Registrar or any Transfer Agent (i) the Transfer Certificate and (ii) the duly executed Investment Letter (together, the "**Transfer Documents**"). The Transfer Documents must be duly executed by such proposed transferee or such proposed transferee's attorney duly authorised in writing, at least three Business Days prior to the date the transfer of such Equity Linked Certificates is desired. Any attempted transfer in which the Transfer Documents and the proposed transfer was not effected in accordance with the foregoing procedures shall not be valid or binding on the Issuer. In addition, if the Registrar or any Transfer Agent subsequently determines or is subsequently notified by the Issuer that (i) a transfer or attempted or purported transfer of any interest in an Equity Linked Certificate was consummated in compliance with the provisions of this paragraph on the basis of an incorrect form or certification from the transferee or purported transferee as set forth in the relevant Transfer Documents, or (ii) the holder of any interest in an Equity Linked Certificate was in breach, at the time given, of any representation or agreement set forth in any Transfer Document or any deemed representation or agreement of such holder, the purported transfer shall be absolutely null and void *ab initio* and shall vest no rights in the purported transferee (such purported transferee, a "**Disqualified Transferee**") and the last preceding holder of

such interest that was not a Disqualified Transferee shall be restored to all rights as a holder thereof retroactively to the date of transfer of such interest by such holder.

For the purposes of this paragraph 2(h) "**Business Day**" means a day which is both (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in New York City and in either London or Luxembourg, as appropriate, if the Transfer Documents are submitted to a Transfer Agent other than the Registrar and (ii) a day on which Euroclear and Clearstream, Luxembourg are open for business.

3. Status of the Certificates

The Certificates constitute unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, save for those preferred by mandatory provisions of law.

4. Payments

(a) Method of Payment

Subject as provided below:

- (i) payments in a currency other than euro will be made by transfer to an account in the relevant currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or by a cheque in such currency drawn on a bank in the principal financial centre of the country of such currency (which, if the currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); and
- (ii) payments in euro will be made by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but subject to the provisions of Condition 6.

(b) Presentation of definitive Bearer Certificates

Payments in respect of definitive Bearer Certificates will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment only of any sum due, endorsement) of definitive Bearer Certificates at the specified office of any Paying Agent (in the case of any payments to be made in U.S. dollars, outside the United States).

Notwithstanding the foregoing, U.S. dollar payments in respect of any Bearer Certificates will be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount payable in respect of the Bearer Certificates in the manner provided above when due;

- (ii) payment of the full amount at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of any amount payable in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(c) *Payments in respect of Bearer Global Certificates*

Payments in respect of Certificates represented by any Global Certificate in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Certificates and otherwise in the manner specified in the relevant Global Certificate against presentation or surrender, as the case may be, of such Global Certificate at the specified office of any Paying Agent. A record of each payment made against presentation or surrender of such Global Certificate in bearer form will be made on such Global Certificate by such Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made.

The holder of a Global Certificate in bearer form shall be the only person entitled to receive payments in respect of Certificates represented by such Global Certificate and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular number of Certificates represented by such Global Certificate must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Certificate. No person other than the holder of such Global Certificate shall have any claim against the Issuer in respect of any payments due on such Global Certificate.

(d) *Payments in respect of Registered Certificates*

Payments in respect of Registered Certificates (whether in definitive or global form) will be made in the manner specified in paragraph (a) to the person (or the first named of joint holders) in whose name such Certificates are registered in the Register at the close of business on the business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) immediately prior to the relevant payment date against presentation and surrender (or, in the case of part payment only of any sum due, endorsement) of such Registered Certificates at the specified office of the Registrar or the Paying Agent in Luxembourg.

If payment in respect of any Registered Certificates is required to be made by transfer as referred to in paragraph (a) above, application for such payment must be made by the holder to the Registrar not later than close of business on the fifteenth day prior to the due date.

No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments in respect of the Registered Certificates.

None of the Issuer, the Paying Agents and the Registrar will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

All amounts payable to DTC or its nominee, Cede & Co., as registered holder of a Registered Global Certificate in respect of Certificates issued in a currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant currency of the Exchange

Agent on behalf of DTC or its nominee for payment in such Specified Currency or conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

The registered holder of a Global Certificate shall be the only person entitled to receive payments in respect of the Certificates represented by such Global Certificate and the Issuer will be discharged by payment to, or to the order of, the registered holder of such Global Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular number of Certificates represented by such Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the registered holder of such Global Certificate. No person other than the holder of such Global Certificate shall have any claim against the Issuer in respect of any payment due on such Global Certificate.

(e) *Payment Day*

If the date for payment of any amount in respect of any Certificate is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to interest or other payment in respect of such delay. For these purposes (unless otherwise specified in the applicable Pricing Supplement), "**Payment Day**" means any day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) the relevant place of presentation;
 - (B) London; and
 - (C) any Additional Financial Centre specified in the applicable Pricing Supplement; and
- (ii) either (A) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open; and
- (iii) in the case of any payment in respect of a Registered Global Certificate issued in a currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Certificate) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

5. Redemption and Purchase

(a) *At Maturity*

Unless previously redeemed or purchased and cancelled as provided in these Terms and Conditions, each Certificate will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant currency on the Final Redemption Amount Payment Date.

(b) *Purchases*

The Issuer or any of its subsidiaries may at any time purchase Certificates at any price in the open market or otherwise. Such Certificates may be held, re-issued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

(c) *Cancellation*

All Certificates which are redeemed will forthwith be cancelled. All Certificates so cancelled and the Certificates purchased and cancelled pursuant to paragraph (b) above shall be forwarded to the Principal Paying Agent and cannot be re-issued or resold.

(d) *Definitions and other Provisions*

(i) Applicable Generally

"**Averaging Date**" means each date specified as an Averaging Date in the applicable Pricing Supplement or, if any such date is not an Exchange Business Day, the immediately succeeding Exchange Business Day unless Market Disruption Event is specified as applying in the applicable Pricing Supplement and, in the opinion of the Calculation Agent, a Market Disruption Event has occurred on that day in which case:-

- (A) if "Omission" is specified as applying in the applicable Pricing Supplement, then such date will be deemed not to be an Averaging Date for purposes of determining the Final Redemption Amount provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date on which a Market Disruption Event had occurred; or
- (B) if "Postponement" is specified as applying in the applicable Pricing Supplement, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date on which a Market Disruption Event had occurred irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (C) if "Modified Postponement" is specified as applying in the applicable Pricing Supplement,
 - (1) where the Certificates are specified in the applicable Pricing Supplement to relate to a single Index or Underlying Equity, as the case may be, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred as of the Valuation Time on the fifth Exchange Business Day immediately following the original date

that, but for the occurrence of another Averaging Date or a Market Disruption Event, would have been the final Averaging Date, then (A) that fifth Exchange Business Day shall be deemed the Averaging Date (irrespective of whether that fifth Exchange Business Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with, in the case of Index Linked Certificates, sub-paragraph (x)(2) of the definition of "Valuation Date" in paragraph (ii)(B) below and, in the case of Equity Linked Certificates, sub-paragraph (x)(2) of the definition of "Valuation Date" in paragraph (iii)(B) below; and

- (2) where the Certificates are specified in the applicable Pricing Supplement to relate to a basket of Indices or Underlying Equities, as the case may be, the Averaging Date for each Index or Underlying Equity, as the case may be, not affected by a Market Disruption Event shall be the originally designated Averaging Date and the Averaging Date for an Index or Underlying Equity, as the case may be, affected by the Market Disruption Event shall be the first succeeding Valid Date (as defined below) in relation to such Index or Underlying Equity, as the case may be. If the first succeeding Valid Date in relation to such Index or Underlying Equity, as the case may be, has not occurred as of the Valuation Time on the fifth Exchange Business Day immediately following the original date that, but for the occurrence of another Averaging Date or Market Disruption Event, would have been the final Averaging Date, then (A) that fifth Exchange Business Day shall be deemed the Averaging Date (irrespective of whether that fifth Exchange Business Day is already an Averaging Date) in relation to such Index or Underlying Equity, as the case may be, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with, in the case of Index Linked Certificates, sub-paragraph (y)(2) of the definition of "Valuation Date" in paragraph (ii)(B) below and, in the case of Equity Linked Certificates, sub-paragraph (y)(2) of the definition of "Valuation Date" in paragraph (iii)(B) below;

for the purposes of these Terms and Conditions, "**Valid Date**" means an Exchange Business Day on which there is no Market Disruption Event and on which another Averaging Date does not or is not deemed to occur;

"**Exchange Business Day**" means a day that is (or, if Market Disruption Event is specified as applying in the applicable Pricing Supplement, a day that but for the occurrence of a Market Disruption Event, would have been) a trading day on each Relevant Exchange specified in the applicable Pricing Supplement other than a day on which trading on any such Relevant Exchange is scheduled to close prior to its regular weekday closing time;

(ii) Provisions and definitions applicable to Index Linked Certificates

(A) *Adjustments to an Index*

(1) Successor Sponsor Calculates and Reports an Index

If an Index is (A) not calculated and announced by the Sponsor specified in the applicable Pricing Supplement but is calculated and announced by a successor to the Sponsor (the "**Successor Sponsor**") acceptable to the Calculation Agent or (B) replaced by a successor index using, in the determination of the Calculation Agent,

the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then that Index will be deemed to be the index so calculated and announced by the Successor Sponsor or that successor index, as the case may be.

(2) Modification and Cessation of Calculation of an Index

If (A) on or prior to the Valuation Date or an Averaging Date specified in the applicable Pricing Supplement the Sponsor or (if applicable) the Successor Sponsor makes a material change in the formula for or the method of calculating an Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock, capitalisation, contracts or commodities and other routine events), or (B) on the Valuation Date or an Averaging Date the Sponsor or (if applicable) the Successor Sponsor fails to calculate and announce the Index, then the Calculation Agent shall determine the Reference Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on the Valuation Date or that Averaging Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to that change or failure, but using only those securities/commodities that comprised that Index immediately prior to that change or failure (other than those securities that have since ceased to be listed on the Relevant Exchange) and otherwise in accordance with the provisions of the applicable Pricing Supplement.

(3) Notice

Upon the occurrence of an Adjustment to an Index as set out in (1) and/or (2) above, the Issuer shall give notice as soon as practicable to Certificateholders in accordance with Condition 11 giving details of the action proposed to be taken in relation thereto.

(B) *Definitions*

"**Market Disruption Event**" means, in respect of an Index, the occurrence or existence on any Exchange Business Day during the one-half hour period that ends at the Valuation Time specified in the applicable Pricing Supplement (or, if no Valuation Time is specified in the applicable Pricing Supplement, the close of trading on the Relevant Exchange) of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise) on:

- (1) the Relevant Exchange in securities/commodities that comprise 20 per cent. or more of the level of the relevant Index, or
- (2) any exchange on which options contracts or futures contracts on the relevant Index are traded in options contracts or futures contracts on that Index,

if, in the determination of the Calculation Agent, in any such case such suspension or limitation is material.

For the purpose of determining whether a Market Disruption Event exists in relation to an Index at any time, if trading in a security/commodity included in that Index is materially suspended or materially limited at that time, then the relevant percentage contribution of that security/commodity to the level of that Index shall be based on a comparison of (1) the

portion of the level of that Index attributable to that security/commodity relative to (2) the overall level of that Index, in each case immediately before that suspension or limitation.

"Valuation Date" means the date specified as such in the applicable Pricing Supplement or, if such date is not an Exchange Business Day, the immediately succeeding Exchange Business Day unless Market Disruption Event is specified as applying in the applicable Pricing Supplement and, in the opinion of the Calculation Agent, a Market Disruption Event has occurred on such day in which case:

- (x) where the Certificates are specified in the applicable Pricing Supplement to relate to a single Index, the Valuation Date shall be the first succeeding Exchange Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event occurring on each of the five Exchange Business Days immediately following the original date which (but for the Market Disruption Event) would have been the Valuation Date. In that case (1) the fifth Exchange Business Day shall be deemed to be the Valuation Date (notwithstanding the Market Disruption Event) and (2) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the applicable Pricing Supplement or, if not set out or not practicable, determine the Reference Price by determining the level of the Index as of the Valuation Time specified in the applicable Pricing Supplement (or, if no Valuation Time is specified in the applicable Pricing Supplement, the official closing time of the Relevant Exchange) on that fifth Exchange Business Day in accordance with the formula for and method of calculating the Index last in effect prior to the commencement of the Market Disruption Event using the Relevant Exchange traded price (or if trading in the relevant security/commodity has been materially suspended or materially limited, its good faith estimate of the Relevant Exchange traded price that would have prevailed but for that suspension or limitation) as of the Valuation Time (or, as the case may be, the official closing time of the Relevant Exchange) on that fifth Exchange Business Day of each security/commodity comprised in the Index; or
- (y) where the Certificates are specified in the applicable Pricing Supplement to relate to a Basket of Indices, the Valuation Date for each Index not affected by a Market Disruption Event shall be the originally designated Valuation Date and the Valuation Date for each Index affected (each an "Affected Index") by a Market Disruption Event shall be the first succeeding Exchange Business Day on which there is no Market Disruption Event relating to the Affected Index, unless there is a Market Disruption Event relating to the Affected Index occurring on each of the five Exchange Business Days immediately following the original date which (but for the Market Disruption Event) would have been the Valuation Date. In that case, (1) the fifth Exchange Business Day shall be deemed to be the Valuation Date for the Affected Index (notwithstanding the Market Disruption Event) and (2) the Calculation Agent shall, where practicable, determine the Reference Price using, in relation to the Affected Index, the level of that Index determined in the manner set out in the applicable Pricing Supplement or, if not set out or not practicable, using the level of that Index as of the Valuation Time specified in the applicable Pricing Supplement (or, if no Valuation Time is specified in the applicable Pricing Supplement, the official closing time of the Relevant Exchange) on that fifth Exchange Business Day determined by reference to the formula for and method of calculating that Index last in effect prior to the commencement of the Market Disruption Event using the Relevant Exchange traded price (or, if trading in the relevant security/commodity has been materially suspended or materially limited, its good faith estimate of the Relevant Exchange traded price that would have prevailed but for that suspension or

limitation) as of the Valuation Time on that fifth Exchange Business Day of each security/commodity comprised in that Index and otherwise in accordance with the provisions of the applicable Pricing Supplement.

(iii) Provisions and definitions applicable to Equity Linked Certificates

(A) *Potential Adjustment Events, De-listing, Merger Event, Nationalisation and Insolvency*

If Potential Adjustment Events are specified as applying in the applicable Pricing Supplement, following the declaration by an Equity Company of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Underlying Equities and, if so, the Issuer will either (1) make the corresponding adjustment, if any, to any one or more of the Final Redemption Amount and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Pricing Supplement as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect and determine the effective date of that adjustment and/or (2) distribute further Certificates to each Certificateholder in such numbers as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect and determine the terms of issue of such further Certificates. The Calculation Agent may (but need not) determine the appropriate adjustment and/or terms of the further issue by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Underlying Equities traded on that options exchange.

Upon making any such adjustment and/or further issue, the Calculation Agent shall give notice as soon as practicable to the Certificateholders in accordance with Condition 11, stating the adjustment to any of these Terms and Conditions and/or the applicable Pricing Supplement and/or terms of the further issue and giving brief details of the Potential Adjustment Event.

"Potential Adjustment Event" means any of the following:

- (1) a subdivision, consolidation or reclassification of relevant Underlying Equities (other than a Merger Event) or a free distribution or dividend of any such Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;
- (2) a distribution or dividend to existing holders of the relevant Underlying Equities of (1) such Underlying Equities or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Company equally or proportionately with such payments to holders of such Underlying Equities or (3) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent;
- (3) an extraordinary dividend;

- (4) a call by an Equity Company in respect of relevant Underlying Equities that are not fully paid;
- (5) a repurchase by an Equity Company of relevant Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (6) any other event or action having, in the absolute discretion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Underlying Equities.

If De-listing, Merger Event, Nationalisation and/or Insolvency is specified as applying in the applicable Pricing Supplement, if a De-listing, Merger Event, Nationalisation or Insolvency occurs in relation to any Underlying Equity, the Issuer in its sole and absolute discretion may:

- (1) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Pricing Supplement to account for the De-listing, Merger Event, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment; or
- (2) by giving notice to the Certificateholders in accordance with Condition 11, redeem all, but not some only, of the Certificates, each Certificate being redeemed at the Early Redemption Amount specified in the applicable Pricing Supplement.

The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Nationalisation or Insolvency made by an options exchange to options on the Underlying Equities traded on that options exchange.

For the purposes of these Terms and Conditions:

"De-listing" means, in respect of any Underlying Equity, such Underlying Equity ceases, for any reason, to be listed on the Relevant Exchange and as of the date of such de-listing is not listed on another recognised stock exchange or quotation system in the same jurisdiction as the Relevant Exchange;

"Insolvency" means, in relation to an Equity Company, that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of, or any analogous proceeding affecting, that Equity Company (1) all the Underlying Equities of that Equity Company are required to be transferred to a receiver trustee, liquidator or other similar official or (2) holders of the Underlying Equities of that Equity Company become legally prohibited from transferring them;

"Merger Date" means, in respect of a Merger Event, the date upon which all holders of the relevant Underlying Equities (other than, in the case of a take-over offer, Underlying Equities owned or controlled by the offeror), have agreed or have irrevocably become obliged to transfer their Underlying Equities;

"Merger Event" means, in respect of any of the Underlying Equities, any (1) reclassification or change of such Underlying Equities that results in a transfer of, or an irrevocable commitment to transfer, all outstanding Underlying Equities, (2) consolidation, amalgamation or merger of the relevant Equity Company with or into another entity (other than a consolidation, amalgamation or merger in which such Equity Company is the continuing entity and which does not result in any such reclassification or change of all such outstanding Underlying Equities) or (3) other take-over offer for the relevant Equity Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Equities (other than such Underlying Equities owned or controlled by the offeror), in each case where the Merger Date is on or before the Final Redemption Amount Payment Date; and

"Nationalisation" means that all the Underlying Equities or all the assets or substantially all the assets of an Equity Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

Upon the occurrence of a De-listing, Merger Event, Nationalisation or Insolvency, the Calculation Agent shall give notice as soon as practicable to the Certificateholders in accordance with Condition 11 stating the occurrence of the De-listing, Merger Event, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

(B) Definitions

"Market Disruption Event" means either:

1. in respect of an Underlying Equity, the occurrence or existence on any Exchange Business Day during the one-half hour period that ends at the Valuation Time specified in the applicable Pricing Supplement (or, if no Valuation Time is specified in the applicable Pricing Supplement, the closing of trading on the Relevant Exchange) of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Relevant Exchange or otherwise) in:
 - (1) the Underlying Equity on the Relevant Exchange; or
 - (2) any options contracts or futures contracts on the Underlying Equity on any exchange on which options contracts or futures contracts on the Underlying Equity are traded; or
2. the inability of the Issuer or any of its affiliates to unwind its hedge or related trading position relating to the Certificates due to illiquidity,

if, in the determination of the Calculation Agent, that suspension or limitation in trading or illiquidity, as the case may be, is material;

"Valuation Date" means the date specified as such in the applicable Pricing Supplement or, if such date is not an Exchange Business Day, the immediately succeeding Exchange Business Day unless Market Disruption Event is specified as applying in the applicable Pricing Supplement and, in the opinion of the Calculation Agent, a Market Disruption Event has occurred on such day in which case:

- (x) where the Certificates are specified in the applicable Pricing Supplement to relate to a single Underlying Equity the Valuation Date shall be the first succeeding Exchange Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event occurring on each of the five Exchange Business Days immediately following the original date which (but for the Market Disruption Event) would have been the Valuation Date. In that case, (1) the fifth Exchange Business Day shall be deemed to be the Valuation Date (notwithstanding the Market Disruption Event) and (2) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the applicable Pricing Supplement or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the Reference Price that would have prevailed but for the Market Disruption Event as of the Valuation Time specified in the applicable Pricing Supplement (or, if no Valuation Time is specified in the applicable Pricing Supplement, the close of trading on the Relevant Exchange) on that fifth Exchange Business Day; or
- (y) where the Certificates are specified in the applicable Pricing Supplement to relate to a Basket of Underlying Equities the Valuation Date for each Underlying Equity not affected by a Market Disruption Event shall be the originally designated Valuation Date and the Valuation Date for each Underlying Equity affected (each an "Affected Equity") by a Market Disruption Event shall be the first succeeding Exchange Business Day on which there is no Market Disruption Event relating to the Affected Equity, unless there is a Market Disruption Event relating to the Affected Equity occurring on each of the five Exchange Business Days immediately following the original date which (but for the Market Disruption Event) would have been the Valuation Date. In that case, (1) the fifth Exchange Business Day shall be deemed to be the Valuation Date for the Affected Equity (notwithstanding the Market Disruption Event) and (2) the Calculation Agent shall determine, where practicable, the Reference Price using, in relation to the Affected Equity, a price determined in the manner set out in the applicable Pricing Supplement or, if not set out or if not so practicable, using its good faith estimate of the price for the Affected Equity that would have prevailed but for the Market Disruption Event as of the Valuation Time specified in the applicable Pricing Supplement (or, if no Valuation Time is specified in the applicable Pricing Supplement, the official closing time of the Relevant Exchange) on that fifth Exchange Business Day and otherwise in accordance with the provisions set out in the applicable Pricing Supplement.

6. Taxation

All payments in respect of the Certificates by the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

In such event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or governmental charges for the account of the holders of the Certificates and shall not pay any additional amounts to the holders of the Certificates.

7. Prescription

The Certificates (whether in bearer or registered form) will become void unless presented for payment within a period of ten years after the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or

prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Certificateholders in accordance with Condition 11.

8. Events of Default

If any one or more of the following events (each an "**Event of Default**") shall occur and be continuing:

- (i) default is made for more than 30 days in the payment of any amount in respect of the Certificates; or
- (ii) the Issuer fails to perform or observe any of its other obligations under the Certificates and such failure has continued for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied; or
- (iii) the Issuer is declared bankrupt, or a declaration in respect of the Issuer is made under Chapter 10 of the Act on the Supervision of the Credit System (Wet toezicht kredietwezen 1992) of The Netherlands; or
- (iv) an order is made or an effective resolution is passed for the winding up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of combination with another company and such company assumes all obligations contracted by the Issuer in connection with the Certificates,

then any Certificateholder may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare the Certificate held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount, specified in the applicable Pricing Supplement without presentment, demand, protest or other notice of any kind.

9. Replacement of Certificates

Should any Certificate be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Certificates) or of the Registrar (in the case of Registered Certificates), upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

10. Agents

The names of the initial Principal Paying Agent, the other initial Paying Agents, the initial Exchange Agent, the initial Registrar and the initial Transfer Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent, Exchange Agent, Registrar or Transfer Agent and/or appoint additional or other Paying Agents, Exchange Agents, Registrar or Transfer Agents and/or approve any change in the specified office through which any of the same acts, provided that:

- (i) so long as the Certificates are listed on any stock exchange, there will at all times be a Paying Agent, which may be the Principal Paying Agent (in the case of Bearer Certificates), and, if the Certificates are in registered form, a Transfer Agent, which may be the Registrar, with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;

- (ii) there will at all times be a Paying Agent with a specified office in a city in continental Europe;
- (iii) if the Certificates are in registered form, there will at all times be a Registrar and a Transfer Agent having a specified office outside the United Kingdom;
- (iv) so long as any of the Registered Global Certificates payable in a currency other than United States dollars are held through DTC or its nominee, Cede & Co., there will at all times be an Exchange Agent with a specified office in New York City;
- (v) there will at all times be a Principal Paying Agent; and
- (vi) there will at all times be a Paying Agent and a Transfer Agent with a specified office situated outside The Netherlands.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 4(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Certificateholders in accordance with Condition 11.

Where necessary, the applicable Pricing Supplement will name the Calculation Agent (which may be the Issuer). However, the Issuer reserves the right at any time to appoint another institution as the Calculation Agent provided that no termination of appointment of the existing Calculation Agent shall become effective until a replacement Calculation Agent shall have been appointed. Notice of any termination or appointment will be given to the Certificateholders in accordance with Condition 11.

The Calculation Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship or agency or trust for or with, the Certificateholders. Any calculations or determinations in respect of the Certificateholders made by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Certificateholders.

11. Notices

Notices to holders of Registered Certificates will be deemed to be validly given if sent by first class mail or (if posted to an overseas address) by airmail to them at their respective addresses as recorded in the Register and will be deemed to have been validly given on the fourth day after the date of such mailing. If and for so long as Registered Certificates are listed on the Luxembourg Stock Exchange, all notices regarding the Registered Certificates will also be published in a daily newspaper of general circulation in Luxembourg, which is expected to be the Luxemburger Wort.

All notices regarding the Bearer Certificates shall be published (i) in at least one daily newspaper of wide circulation in London and (ii) if and for so long as the Certificates are listed on the Luxembourg Stock Exchange, in a daily newspaper of general circulation in Luxembourg. It is expected that such publication will be made in the Financial Times in London (in the case of (i) above) and the Luxemburger Wort (in the case of (ii) above). Any such notice will be deemed to have been given on the date of the first publication in all the newspapers in which such publication is required to be made.

Until such time as any definitive Certificates are issued, there may, so long as the Global Certificate(s) representing the Certificates is or are held in its or their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for publication in some or all of the newspapers referred to above the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Certificates and, in addition, for so long as any Certificates are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily

newspaper of general circulation in the place or places required by that stock exchange (or any other relevant authority). Any such notice shall be deemed to have been given to the holders of the Certificates on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any holder of the Certificates shall be in writing and given by lodging the same, together with the relative Certificate or Certificates, with the Principal Paying Agent. Whilst any of the Certificates are represented by a Global Certificates, such notice may be given by any holder of a Certificate to the Principal Paying Agent via Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream Luxembourg and/or DTC, as the case may be, may approve for this purpose.

12. Meetings of Certificateholders, Modification and Waiver

The Agency Agreement contains provisions for convening meetings of the Certificateholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Certificates or certain provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Certificateholders holding not less than five per cent. in number of the Certificates for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in number of the Certificates for the time being outstanding, or at any adjourned meeting one or more persons being or representing Certificateholders whatever the number of the Certificates so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Certificates (including modifying the date of maturity of the Certificates, any amount payable in respect of the Certificates or any date for payment in respect of the Certificates, altering the currency of payment of the Certificates, the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in number of the Certificates for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Certificateholders shall be binding on all the Certificateholders, whether or not they are present at the meeting.

The Principal Paying Agent and the Issuer may agree, without the consent of the Certificateholders, to:

- (i) any modification (except as mentioned above) of any of the provisions of the Agency Agreement, the Certificates, these Terms and Conditions and/or the applicable Pricing Supplement is not materially prejudicial to the interests of the Certificateholders; or
- (ii) any modification of the Certificates, these Terms and Conditions, the applicable Pricing Supplement, the Deed of Covenant and/or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Certificateholders and any such modification shall be notified to the Certificateholders in accordance with Condition 11 as soon as practicable thereafter.

13. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Certificateholders to create and issue further Certificates having terms and conditions the same as the Certificates and so that the same shall be consolidated and form a single Series with the outstanding Certificates.

14. Substitution of the Issuer

- (a) The Issuer may, without the consent of the Certificateholders' after written approval of the Dutch Central Bank (De Nederlandsche Bank N.V.), be replaced and substituted by any directly or indirectly wholly owned subsidiary of the Issuer (the "**Substituted Debtor**") as principal debtor in respect of the Certificates provided that:
- (i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Certificateholder to be bound by these Terms and Conditions, the Deed of Covenant and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Certificates and the Agency Agreement as the principal debtor in respect of the Certificates in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the "**Guarantee**") in favour of each Certificateholder, the payment of all sums payable in respect of the Certificates;
 - (ii) the Documents shall contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Certificateholder against all liabilities, costs, charges and expenses, provided that insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective, which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Certificateholder by any political subdivision or taxing authority of any country in which such Certificateholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
 - (iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Certificateholder;
 - (iv) each stock exchange which has the Certificates listed thereon shall have confirmed that following the proposed substitution of the Substituted Debtor the Certificates would continue to be listed on such stock exchange;
 - (v) the Substituted Debtor shall have delivered to the Principal Paying Agent or procured the delivery to the Principal Paying Agent of a legal opinion from a leading firm of local lawyers acting for the Substituted Debtor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Certificateholders at the specified office of the Principal Paying Agent;

- (vi) the Issuer shall have delivered to the Principal Paying Agent or procured the delivery to the Principal Paying Agent of a legal opinion from either the internal legal adviser to the Issuer or a leading firm of local lawyers acting for the Issuer to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Issuer under Dutch law, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Certificateholders at the specified office of the Principal Paying Agent; and
 - (vii) the Issuer shall have delivered to the Principal Paying Agent or procured delivery to the Principal Paying Agent of a legal opinion from a leading firm of English lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under English law, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Certificateholders at the specified office of the Principal Paying Agent.
- (b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Certificateholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Certificateholder, except as provided in Condition 14(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Certificates any indemnification or payment in respect of any tax or other consequences arising from such substitution.
 - (c) Upon the execution of the Documents as referred to in paragraph (a) above, the Substituted Debtor shall be deemed to be named in the Certificates as the principal debtor in place of the Issuer and the Certificates shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Certificates save that any claims under the Certificates prior to release shall endure for the benefit of Certificateholders.
 - (d) The Documents shall be deposited with and held by the Principal Paying Agent for so long as any Certificates remain outstanding and for so long as any claim made against the Substituted Debtor by any Certificateholder in relation to the Certificates or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Certificateholder to the production of the Documents for the enforcement of any of the Certificates or the Documents.
 - (e) Not later than 20 days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 11.

15. Illegality

If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Certificates has become illegal or impractical in whole or in part for any reason (including as a result of compliance in good faith with any applicable present or future law, rule, regulation, judgement, order or direction of any governmental, administrative, legislative or judicial authority or power ("applicable law")) or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Certificates for any reason, the Issuer may at its discretion and without obligation terminate early the Certificates by giving notice to the Certificateholders in accordance with Condition 11. In such circumstances, the Issuer will, however, if and to the extent permitted by applicable law, pay to each Certificateholder in

respect of each Certificate held by him and cancelled pursuant to this Condition an amount equal to the fair market value of such Certificate immediately prior to such cancellation (as if the Issuer's performance of the Certificates were not unlawful under any applicable law) adjusted to take account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any equity options or selling or otherwise realising any Underlying Equity or other instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall notified to the Certificateholders in accordance with Condition 11.

16. Governing Law and Submission to Jurisdiction

The Agency Agreement, the Certificates are governed by, and shall be construed in accordance with, English law.

In relation to any legal action or proceedings arising out of or in connection with the Certificates ("**Proceedings**"), the Issuer hereby irrevocably submits for the benefit of the Certificateholders to the jurisdiction of the courts of England.

The Issuer appoints ABN AMRO Bank N.V., London Branch at its registered office in London (presently 250 Bishopsgate, London EC2M 4AA) as its agent in England to receive service of process in any Proceedings in England based on any of the Certificates. If for any reason such process agent ceases to act as such or no longer has an address in England, the Issuer agrees to appoint a substitute process agent and to notify the Certificateholders of such appointment.

17. Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Certificate, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes.

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the "Clearing Systems") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer nor any agent party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Instruments held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Book-entry Systems

DTC

Registered Notes and Registered Certificates are together referred to herein as Registered Instruments. Registered Global Notes and Registered Global Certificates are together referred to herein as Registered Global Instruments.

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a "**banking organisation**" within the meaning of the New York Banking Law, a "**clearing corporation**" within the meaning of the New York Uniform Commercial Code and a "**clearing agency**" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Participants**") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**").

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**Rules**"), DTC makes book-entry transfers of Registered Instruments among Direct Participants on whose behalf it acts with respect to Instruments accepted into DTC's book-entry settlement system ("**DTC Instruments**") as described below and receives and transmits payments on DTC Instruments. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Instruments ("**Owners**") have accounts with respect to the DTC Instruments similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Instruments through Direct Participants or Indirect Participants will not possess Registered Instruments, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect to the DTC Instruments.

Purchases of DTC Instruments under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Instruments on DTC's records. The ownership interest of each actual purchaser of each DTC Instrument ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Instruments are to be accomplished by

entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Instruments, except in the event that use of the book-entry system for the DTC Instruments is discontinued.

To facilitate subsequent transfers, all DTC Instruments deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Instruments with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Instruments; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Instruments are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Instruments within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Instruments. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Instruments are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the DTC Instruments will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of amounts due in respect of the Instruments to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Instruments, DTC will exchange the DTC Instruments for Definitive Registered Notes or Definitive Registered Certificates, as the case may be, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Restricted Global Instrument will be legended as set forth under "Notice to Purchasers and Holders of Restricted Instruments and Transfer Restrictions" below.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Beneficial Owner desiring to pledge DTC Instruments to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Instruments, will be required to withdraw its Registered Instruments from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities

and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Book-entry Ownership of and Payments in respect of DTC Instruments

If a Registered Global Instrument is to be registered in the name of a nominee of DTC, the Issuer will apply to DTC in order to have the Notes or Certificates, as the case may be, represented by such Registered Global Instrument accepted in its book-entry settlement system. Upon the issue of any Registered Global Instruments, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Instruments to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in any such Registered Global Instrument will be limited to Direct Participants or Indirect Participants, including the respective depositories of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in any such Registered Global Instrument will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars in respect of a Registered Global Instrument registered in the name of DTC's nominee will be made to the order of such nominee as the registered holder of such Instrument. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC's nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Instruments in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Instruments will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payments, on Instrument to DTC is the responsibility of the Issuer.

Transfers of Instruments Represented by Registered Global Instruments

Transfers of any interests in Instruments represented by a Registered Global Instrument within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Instruments represented by a Registered Global Instrument to such persons may depend upon the ability to exchange such Instruments for Instruments in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Instruments represented by a Registered Global Instrument to pledge such Instruments to persons or entities that do not participate in the DTC system or to otherwise take action in respect of such Instruments may

depend upon the ability to exchange such Instruments for Instruments in definitive form. The ability of any person having a beneficial interest in Instruments represented by a Registered Global Instrument to resell, pledge or otherwise transfer such Instruments may be impaired if the proposed transferee of such Instruments is not eligible to hold such Instruments through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Instruments described under "Notice to Purchasers and Holders of Restricted Instruments and Transfer Restrictions", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian ("**Custodian**") with whom the relevant Registered Global Instruments have been deposited.

On or after the Issue Date for any Tranche, transfers of Instruments of such Tranche between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Instruments of such Tranche between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Instruments will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Instruments among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Registrar, the Custodian, the Principal Paying Agent and any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Instruments or for maintaining, supervising or reviewing any records relating to such beneficial interests.

SUMMARY OF PROVISIONS RELATING TO DEFINITIVE REGISTERED INSTRUMENTS

Definitive Registered Notes and Definitive Registered Certificates are together referred to herein as Definitive Registered Instruments. Registered Instruments of a Series that are initially offered and sold in the United States pursuant to Section 4(2) of the Securities Act in private placement transactions exempt from registration under the Securities Act to Institutional Accredited Investors who execute and deliver to the Registrar an Investment Letter substantially in the form attached to the Agency Agreement (an "Investment Letter") will be issued only as Definitive Registered Instruments, registered in the name of the purchaser thereof or its nominee. Unless otherwise set forth in the applicable Pricing Supplement, such Definitive Registered Notes will be issued only in Specified Denominations of U.S.\$500,000 (or the approximate equivalent in the applicable Specified Currency), and such Definitive Registered Certificates will be issued only in such Specified Number as set forth in the applicable Pricing Supplement, the product of such Specified Number multiplied by the Issue Price being not less than U.S. \$500,000 (or its approximate equivalent in the relevant currency). Such Definitive Registered Instruments issued to Institutional Accredited Investors, will be subject to the restrictions on transfer set forth therein and in the Agency Agreement and will bear the applicable legend regarding such restrictions set forth under "*Notice to Purchasers and Holders of Restricted Instruments and Transfer Restrictions*" below. Institutional Accredited Investors that hold Definitive Registered Instruments may not elect to hold such Instruments through book-entry form, but transferees acquiring such Instruments in transactions exempt from registration under the Securities Act pursuant to Rule 144A, Regulation S or Rule 144 under the Securities Act (if available) may take delivery thereof in the form of an interest in a Restricted Global Instrument (Restricted Global Notes and Restricted Global Certificates being together referred to herein as Restricted Global Instruments) or a Regulation S Global Instrument (Regulation S Global Notes and Regulation S Global Certificates being together referred to herein as Regulations S Global Instruments) as the case may be, representing Instruments of the same Series.

NOTICE TO PURCHASERS AND HOLDERS OF RESTRICTED INSTRUMENTS AND TRANSFER RESTRICTIONS

Restricted Notes and Restricted Certificates are together referred to herein as Restricted Instruments. Equity Linked Notes and Equity Linked Certificates are together referred to herein as Equity Linked Instruments.

As a result of the following restrictions, purchasers of Instruments in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Instruments.

Each purchaser of Registered Instruments (other than a person purchasing an interest in a Registered Global Instrument with a view to holding it in the form of an interest in the same Global Instrument) or person wishing to transfer an interest from one Registered Global Instrument to another or from global to definitive form or vice versa, will, by its purchase of such Instruments, be deemed to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (i) that either: (a) in the case of a transfer of an Instrument other than an Equity Linked Instrument, it is a QIB, purchasing (or holding) the Instruments for its own account or for the account of one or more QIBs and it is aware, and each beneficial owner of such Instruments has been advised, that any sale to it is being made in reliance on Rule 144A or (b) in the case of a transfer of an Equity Linked Instrument, it is a QIB, purchasing (or holding) the Instruments for its own account or for the account of one or more QIBs and it is aware, and each beneficial owner of such Instrument has been advised, that any sale to it is being made in reliance on Rule 144A and it has delivered an Investment Letter, or (c) it is an Institutional Accredited Investor which has delivered an Investment Letter or (d) it is outside the United States and is not a U.S. person;
- (ii) that in issuing the Instruments linked to any Underlying Equity, the Issuer is not making, and has not made any representations whatsoever as to any Equity Company or any information contained in any document filed by any Equity Company with any exchange or with any governmental entity regulating the purchase and sale of securities or the Instruments linked to any Underlying Equity;
- (iii) that the Issuer and any affiliate of the Issuer may, whether by virtue of the types of relationships described about or otherwise, at the date hereof or at any time hereafter be in possession of information in relation to any Equity Company which is or may be material in the context of the Instruments linked to any Underlying Equity and which is or may not be known to the general public or the holder. The Instruments linked to any Underlying Equity do not create any obligation on the part of the Issuer or any affiliate of the Issuer to disclose to the holder any such relationship or information (whether or not confidential) and neither the Issuer nor any other affiliate of the Issuer shall be liable to the holder by reason of such non-disclosure. No such information had been used in the selection of any Equity Company for the Instruments linked to any Underlying Equity;
- (iv) that the Issuer and any affiliate of the Issuer may have existing or future business relationships with any Equity Company (including, but not limited to, lending, depository, risk management, advisory or banking relationships), and will pursue actions and take steps that it deems or they deem necessary or appropriate to protect its or their interests arising therefrom without regard to the consequences for a holder of the Instruments linked to any Equity Company;

- (v) that the Final Redemption Amount, and market value of the Instruments and, in the case of Notes, the Optional Redemption Amount linked to any Equity Company may be adversely affected by movements in the value of the Equity Company or in currency exchange rates;
- (vi) that the Final Redemption Amount in respect of any Instrument or the Optional Redemption Amount in respect of any Note may be less than its nominal amount in the case Notes and less than the Issue Price in the case of Certificates and may be zero;
- (vii) that the Instruments are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Instruments have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (viii) that, unless it holds an interest in a Regulation S Global Instrument and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Instruments or any beneficial interests in the Instruments, it will do so, prior to the date which is two years after the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Instruments, only (a) to the Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;
- (ix) it will, and will require each subsequent holder to, notify any purchaser of the Instruments from it of the resale restrictions referred to in paragraph (viii) above, if then applicable;
- (x) that Instruments initially offered in the United States to QIBs will be represented by one or more Restricted Global Instruments, that Instruments offered to Institutional Accredited Investors will be in the form of Definitive Registered Instruments and that Instruments offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Instruments;
- (xi) that the Registered Global Instruments, other than the Regulation S Global Instruments and Global Instruments representing Equity Linked Instruments, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THIS INSTRUMENT FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS INSTRUMENT EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT REFERRED TO HEREIN, AND, PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE

LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS INSTRUMENT OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS INSTRUMENT IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.";

- (xii) that the Definitive Registered Instruments sold in the United States to Institutional Accredited Investors will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS INSTRUMENT (OR ITS PREDECESSOR) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM AND UNLESS IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION. EACH PURCHASER OF THIS INSTRUMENT, BY ITS ACCEPTANCE HEREOF, WHETHER UPON ORIGINAL ISSUANCE OR SUBSEQUENT TRANSFER, ACKNOWLEDGES FOR THE BENEFIT OF THE ISSUER AND THE DEALERS THE RESTRICTIONS ON THE TRANSFER OF THIS INSTRUMENT SET FORTH BELOW AND AGREES THAT IT SHALL TRANSFER THIS INSTRUMENT ONLY AS PROVIDED IN THE AGENCY AGREEMENT REFERRED TO HEREIN. THE PURCHASER REPRESENTS THAT IT IS ACQUIRING THIS INSTRUMENT FOR INVESTMENT ONLY AND NOT WITH A VIEW TO ANY SALE OR DISTRIBUTION HEREOF, SUBJECT TO ITS ABILITY TO RESELL THIS INSTRUMENT PURSUANT TO RULE 144A OR REGULATIONS OR AS OTHERWISE PROVIDED BELOW AND SUBJECT IN ANY CASE TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE PROPERTY OF ANY PURCHASER SHALL AT ALL TIMES BE AND REMAIN WITHIN ITS CONTROL. EACH PURCHASER OF THIS INSTRUMENT IS HEREBY NOTIFIED THAT THE SELLER OF THIS INSTRUMENT MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS INSTRUMENT BY ITS ACCEPTANCE HEREOF, FOR THE BENEFIT OF THE ISSUER, AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH INSTRUMENT, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS TWO YEARS AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER

OF THIS INSTRUMENT (OR ANY PREDECESSOR OF SUCH INSTRUMENT) ONLY (A) TO THE ISSUER OR ANY AFFILIATE THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (D) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR 904 UNDER THE SECURITIES ACT, (E) TO AN "INSTITUTIONAL ACCREDITED INVESTOR" WITHIN THE MEANING OF SUBPARAGRAPHS (a)(1), (a)(2), (a)(3) OR (a)(7) OF RULE 501 UNDER THE SECURITIES ACT THAT IS ACQUIRING THE INSTRUMENT FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN "INSTITUTIONAL ACCREDITED INVESTOR", IN THE CASE OF NOTES, IN A MINIMUM NOMINAL AMOUNT OF THE NOTES OF U.S. \$500,000, OR IN THE CASE OF CERTIFICATES, IN SUCH SPECIFIED NUMBER AS SET FORTH IN THE PRICING SUPPLEMENT, THE PRODUCT OF SUCH SPECIFIED NUMBER MULTIPLIED BY THE ISSUE PRICE BEING NOT LESS THAN U.S. \$500,000 (OR ITS APPROXIMATE EQUIVALENT IN THE RELEVANT CURRENCY), FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN CONNECTION WITH, ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT OR (F) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144A (IF AVAILABLE), SUBJECT TO THE ISSUER'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO THE ISSUER, AND IN EACH OF THE FOREGOING CASES, A CERTIFICATE OF TRANSFER, TOGETHER WITH A DULY EXECUTED INVESTOR REPRESENTATION LETTER FROM THE RELEVANT TRANSFEREE, BOTH IN THE FORM APPEARING BELOW, ARE COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE RELEVANT TRANSFER AGENT. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS INSTRUMENT FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN THIS PARAGRAPH. NO REPRESENTATION CAN BE MADE AS TO AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS INSTRUMENT.

IF REQUESTED BY THE ISSUER OR BY A DEALER, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF THIS INSTRUMENT IS PERMISSIBLE UNDER THE SECURITIES ACT.";

- (xiii) that the Global Instruments representing Equity Linked Instruments will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL

BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THIS INSTRUMENT FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS INSTRUMENT EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT REFERRED TO HEREIN, AND, PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS INSTRUMENT OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS INSTRUMENT IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

EACH HOLDER OF A BENEFICIAL INTEREST IN THE INSTRUMENT REPRESENTED BY THIS GLOBAL INSTRUMENT SHALL BE DEEMED TO HAVE REPRESENTED WITH RESPECT TO ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING THAT IT AND EACH HOLDER OF SUCH ACCOUNT SATISFIES THE REQUIREMENTS SET FORTH IN THE PRECEDING PARAGRAPH. ANY RESALE OR OTHER TRANSFER OF ITS INTEREST IN THE INSTRUMENTS REPRESENTED BY THIS GLOBAL INSTRUMENT WILL REQUIRE THE TRANSFEROR TO SUBMIT TO THE REGISTRAR OR ANY TRANSFER AGENT AN INSTRUMENT OF TRANSFER, IN THE FORM APPEARING BELOW, TOGETHER WITH A DULY EXECUTED INVESTOR REPRESENTATION LETTER FROM THE RELEVANT TRANSFEREE, IN THE FORM SET FORTH IN SCHEDULE 5 OF THE AGENCY AGREEMENT REFERRED TO HEREIN. IF AT ANY TIME THE REGISTRAR OR ANY TRANSFER AGENT SUBSEQUENTLY DETERMINES OR IS SUBSEQUENTLY NOTIFIED BY THE ISSUER THAT (i) THE HOLDER OF ANY INTEREST IN THE INSTRUMENTS REPRESENTED BY THIS GLOBAL INSTRUMENT WAS IN BREACH, AT THE TIME GIVEN, OF ANY REPRESENTATION OR AGREEMENT SET FORTH HEREIN OR IN ANY LETTER DELIVERED TO THE ISSUER, THE PURPORTED TRANSFER SHALL BE ABSOLUTELY NULL AND VOID *AB INITIO* AND SHALL VEST NO RIGHTS IN THE PURPORTED TRANSFEREE (SUCH PURPORTED TRANSFEREE, A "DISQUALIFIED TRANSFEREE") AND THE LAST PRECEDING HOLDER OF SUCH INTEREST THAT WAS NOT A DISQUALIFIED TRANSFEREE SHALL BE RESTORED TO ALL RIGHTS AS A HOLDER THEREOF RETROACTIVELY TO THE DATE OF SUCH TRANSFER OF SUCH INTEREST BY SUCH HOLDER.

IF REQUESTED BY THE ISSUER OR BY A DEALER, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER

THE TRANSFER OF THIS INSTRUMENT IS PERMISSIBLE UNDER THE SECURITIES ACT.";

- (xiv) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Instruments prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Instruments), it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Instruments will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE INSTRUMENTS OF THE TRANCHE OF WHICH THIS INSTRUMENT FORMS PART."; and

- (xv) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Instruments as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Institutional Accredited Investors who purchase Registered Instruments in definitive form offered and sold in the United States in reliance upon the exemption from registration provided by Regulation D of the Securities Act and QIBs who purchase Equity Linked Instruments offered and sold in the United States or to U.S. persons in reliance on Rule 144A are required to execute and deliver to the Registrar an Investment Letter. Upon execution and delivery of an Investment Letter by an Institutional Accredited Investor will be issued in definitive registered form, see "Form of the Notes" and "Form of the Certificates".

Upon execution and delivery of an Investment Letter by a QIB, in the case of Equity Linked Instruments, Instruments will be issued in global form.

The Investment Letter will state, among other things, the following:

- (i) that the Institutional Accredited Investor or the QIB, as the case may be, has received a copy of this Prospectus and such other information as it deems necessary in order to make its investment decision;

- (ii) that the Institutional Accredited Investor or the QIB, as the case may be, understands that any subsequent transfer of the Instruments is subject to certain restrictions and conditions set forth in this Prospectus and the Instruments (including those set out above) and that it agrees to be bound by, and not to resell, pledge or otherwise transfer the Instruments except in compliance with, such restrictions and conditions and the Securities Act;
- (iii) that, in the normal course of its business, the investor invests in or purchases securities similar to the Instruments;
- (iv) that the purchaser is either an Institutional Accredited Investor within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act or a QIB within the meaning of Rule 144A and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Instruments, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment for an indefinite period of time;
- (v) that the Institutional Accredited Investor or the QIB, as the case may be, is acquiring the Instruments purchased by it for its own account or for one or more accounts (each of which is an Institutional Accredited Investor or a QIB, as the case may be) as to each of which it exercises sole investment discretion and not with a view to any distribution of the Instruments, subject, nevertheless, to the understanding that the disposition of its property shall at all times be and remain within its control;
- (vi) that, in the event that the Institutional Accredited Investor or the QIB, as the case may be, purchases Notes, it will acquire Notes having a minimum purchase price of at least U.S.\$500,000 (or the approximate equivalent in another Specified Currency);
- (vii) that, in the event that the Institutional Accredited Investor, or the QIB, as the case may be, purchases Certificates, it will acquire Certificates in a minimum number equal to such Specified Number as set forth in the applicable Pricing Supplement the product of such Specified Number multiplied by the Issue Price being not less than U.S. \$500,000 (or the approximate equivalent in the relevant currency); and
- (viii) that with respect to Equity Linked Instruments, the Institutional Accredited Investor or QIB, as the case may be, acknowledges that (a) it did not rely on any investigation that the Issuer, any of its affiliates or any person acting on their behalf may have conducted with respect to any Equity Company or Underlying Equity, and none of such persons has made any representation to it, express or implied, with respect to any such Equity Company or the Underlying Equity; (b) it conducted and relied on its own investigation with respect to the Underlying Equity; (c) it had an opportunity to ask executive officers of any such Equity Company such questions as it considers necessary or appropriate with respect to such Equity Company or the Underlying Equity; and (d) it received all information that it believes is necessary or appropriate in connection with any such Underlying Equity).

No sale of Legended Notes or Certificates (together referred to herein as Legended Instruments) in the United States to any one purchaser will be for less than U.S.\$100,000 (or its foreign currency equivalent) nominal amount, in respect of Notes, or in respect of such number of Certificates the product of which when multiplied by the Issue Price is less than U.S.\$100,000 (or its foreign currency equivalent), in respect of Certificates, or, in the case of sales to Institutional Accredited Investors, U.S.\$500,000 (or its foreign currency equivalent) nominal amount, in respect of Notes, or in respect of such Specified Number as set forth in the Pricing Supplement, the product of which when multiplied by the Issue Price is less than U.S.\$500,000 (or its foreign currency equivalent), in respect of Certificates, and no Legended Instrument will be issued in connection with such a sale in a smaller

nominal amount in the case of Notes or number in the case of Certificates. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase (i) at least U.S.\$100,000 (or its foreign currency equivalent) or, in the case of sales to Institutional Accredited Investors, U.S.\$500,000 (or its foreign currency equivalent) nominal amount of Registered Notes or (ii) such number of Registered Certificates, the product of which when multiplied by the Issue Price is at least U.S.\$100,000 (or its foreign currency equivalent) or, in the case of sales to Institutional Accredited Investors, such Specified Number of Registered Certificates as set forth in the Pricing Supplement, the product of which when multiplied by the Issue Price is at least U.S.\$500,000 (or its foreign currency equivalent).

ABN AMRO Bank N.V.

1. History and Incorporation

ABN AMRO Holding N.V. (“Holding”) is incorporated under The Netherlands law by deed of 30 May 1990 as the holding company of ABN AMRO Bank N.V.. The Articles of Association of Holding were last amended by deed of 17 May 2001 executed before Mr. R.J.C. van Helden, Notary Public of Amsterdam. Holding’s main purpose is to own ABN AMRO Bank N.V. and its subsidiaries. Holding owns 100 per cent. of the shares of the Issuer and is jointly and severally liable for all liabilities of ABN AMRO Bank N.V..

ABN AMRO Bank N.V. traces its origin to the formation of the “Nederlandsche Handel-Maatschappij, N.V.” in 1825 pursuant to a Dutch Royal Decree of 1824. ABN AMRO Bank N.V.’s Articles of Association were last amended by deed of 17 May 2001.

The Issuer is registered in the Commercial Register of Amsterdam under number 33002587. The registered office of ABN AMRO Bank N.V. is at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands.

2. Activities and Results

The ABN AMRO group (“ABN AMRO”), which consists of Holding and its subsidiaries, is a global banking group offering a wide range of commercial and investment banking products and services on a global basis through its network of approximately 3,400 offices and branches in more than 60 countries and territories. ABN AMRO is the largest banking group based in The Netherlands with total consolidated assets of EUR 556.0 billion as at 31 December 2002. ABN AMRO has a substantial presence in the United States, where it is one of the largest foreign banking groups based on total assets held in the country, and it also has a substantial presence in Brazil where it acquired Banco Real, the fourth largest privately held bank in the country in November 1998. ABN AMRO also established a presence in Italy through its shareholdings in Capitalia and Banca Antonveneta.

ABN AMRO’s performance reflects its broad diversification of revenue sources and risks on the basis of clients, products and geography, its leading position in its home markets and a cautious management approach that focuses on shareholder value, profitability and cost control.

ABN AMRO aims to create maximum economic value for its shareholders through a constant relationship focus on the financial services needs of its chosen client segments and a strict adherence to its financial targets. ABN AMRO is operating in three principal customer segments, whereby the objective is to maximize the value of each of these businesses as well as the synergies between them.

ABN AMRO's strategy is to use its strong capital base to pursue both organic growth and expansion through acquisitions with the goal of enhancing its position in key regions, broadening the range of products and services offered and entering new markets that it believes have significant long-term growth and profitability potential without risking its ability to achieve its targets for financial performance.

3. Organisational Structure

ABN AMRO Bank N.V. and its numerous subsidiaries are organised into three strategic business units (SBU): the Wholesale Clients SBU, the Consumer & Commercial Clients SBU and the Private Clients & Asset Management SBU. In addition, ABN AMRO Bank N.V. owns ABN AMRO Lease Holding N.V. and ABN AMRO Bouwfonds Nederlandse Gemeenten N.V., two independently managed subsidiaries. The three SBUs are supported by the Corporate Centre that includes group risk management, group audit, group finance, corporate communications, IT standards and human resources policy.

4. Authorisation

The issue of the Securities by the Issuer has been duly authorised.

5. Use of Proceeds

The Issuer intends to add the net proceeds from the sale of the Securities to its general funds to be used for general corporate purposes including hedging of the Securities.

Financial and Management Information

1. Managing Board and Supervisory Boards of Holding (as of 20 February 2003)

| Managing Board | Year of Appointment |
|---------------------------|---------------------|
| R.W.J. Groenink, Chairman | 1988 |
| W.G. Jiskoot | 1997 |
| T. de Swaan | 1999 |
| J.Ch.L. Kuiper | 1999 |
| D. Collee | 2000 |
| H. Scott-Barrett | 2000 |

| Supervisory Board | Year of Appointment |
|------------------------------|---------------------|
| A.A. Loudon, Chairman | 1994 |
| M.C. van Veen, vice-Chairman | 2000 |
| W. Overmars | 1990 |
| W. Dik | 1993 |
| S. Keehn | 1996 |
| C.H. van der Hoeven | 1997 |
| A. Burgmans | 1998 |
| D.R.J. Baron de Rothschild | 1999 |
| Mrs L.S. Groenman | 1999 |
| Mrs T.A. Maas-de Brouwer | 2000 |
| P.J. Kalff | 2000 |
| A.C. Martinez | 2002 |

The chosen address of the Managing and Supervisory Boards is the registered office of the Issuer.

2. Material Adverse Change

Save as disclosed in this document, there has been no material adverse change in the financial position or prospects or significant change in the financial or trading position of Holding since 31 December 2002.

3. Litigation

In several jurisdictions legal proceedings have been initiated against the Issuer or its group companies whose financial statements have been included in the consolidated annual financial statements for the year 2001 of the Issuer. On the basis of information presently available, the Managing Board of the Issuer is of the opinion that the outcome of these proceedings is unlikely to have a material effect on the financial position of the Issuer.

4. Credit Rating

The Issuer's senior long term debt is rated Aa3 by Moody's Investors Services, Limited and AA- by Standard & Poor's Corporation.

5. Statutory Auditors

Holding's financial year is the calendar year. Holding is required by the laws of The Netherlands to have statutory auditors. Ernst & Young Accountants act as the auditors of the financial statements of Holding and have given unqualified opinions in Holding's Annual Reports for the last three years.

6. Capitalisation

The following table sets out the consolidated capitalisation of Holding as at the dates specified below. Save as described herein, there has been no material change in the capitalisation of ABN AMRO Holding N.V. since 31 December 2002:

| | 2002 (unaudited) | 2001 | 2000 | 1999 |
|--|---------------------|---------|---------|--------|
| <i>(in millions of EUR)</i> | | | | |
| Shareholders' equity as at beginning of the period (1 January) | 11,787 | 12,523 | 12,016 | 10,762 |
| Goodwill (dilution) | (201) | (3,186) | (1,453) | (814) |
| Revaluations and other movements | (35) | 52 | (20) | 6 |
| Retained earnings and stock dividends | 1,573 | 2,642 | 1,846 | 1,840 |
| Impact change in accounting policy pension costs | (430) | | | |
| Addition to provision pension obligations | (374) | | | |
| Exercised options and conversion | 66 | 8 | 55 | 39 |
| Currency translation differences | (1,622) | (150) | 98 | 215 |
| Other | | | 2 | (32) |
| Change in Treasury stock | 17 | (102) | (21) | (29) |
| Shareholders' equity as at the end of the period (31 December) | 10,781 | 11,787 | 12,523 | 11,987 |

7. Authorised Capital

The following table sets out the authorised and issued capital of ABN AMRO Holding N.V.:

| Authorised Capital | | | | |
|---------------------------|-------------------------------|----|----------|---------------|
| 100 | Priority share | of | EUR 2.24 | 224 |
| 4,000,000,000 | Ordinary shares | of | EUR 0.56 | 2,240,000,000 |
| 1,000,000,000 | Preference shares | of | EUR 2.24 | 2,240,000,000 |
| 100,000,000 | Convertible preference shares | of | EUR 2.24 | 224,000,000 |
| | | | | 4,704,000,224 |

| Issued Capital (1999) | | | | |
|------------------------------|-------------------------------|----|----------|------------------|
| 1 | Priority share | of | NLG 5.00 | 5.00 |
| 1,468,159,769 | Ordinary shares | of | NLG 1.25 | 1,835,199,711.25 |
| 362,503,010 | Preference shares | of | NLG 5.00 | 1,812,515,050.00 |
| 1,420,089 | Convertible preference shares | of | NLG 5.00 | 7,100,445.00 |
| | | | | 3,654,815,211.25 |

| Issued Capital (2000) | | | | |
|------------------------------|-------------------------------|----|----------|------------------|
| 1 | Priority share | of | NLG 5.00 | 5.00 |
| 1,502,301,875 | Ordinary shares | of | NLG 1.25 | 1,877,877,343.75 |
| 362,503,010 | Preference shares | of | NLG 5.00 | 1,812,515,050.00 |
| 794,984 | Convertible preference shares | of | NLG 5.00 | 3,974,920.00 |
| | | | | 3,694,367,318.75 |

| Issued Capital (2001) | | | | |
|------------------------------|-------------------------------|----|----------|------------------|
| 1 | Priority share | of | EUR 2.24 | 2.24 |
| 1,542,297,858 | Ordinary shares | of | EUR 0.56 | 863,686,800.48 |
| 362,503,010 | Preference shares | of | EUR 2.24 | 812,006,742.40 |
| 684,769 | Convertible preference shares | of | EUR 2.24 | 1,533,882.56 |
| | | | | 1,677,227,427.68 |

8. Maturity analysis of debt securities (in EUR)

| | 2001 | 2000 |
|-----------------------------------|---------------|---------------|
| Within one year | 40,614 | 31,724 |
| After one and within two years | 5,276 | 3,385 |
| After two and within three years | 3,843 | 2,649 |
| After three and within four years | 2,794 | 2,532 |
| After four and within five years | 3,765 | 2,855 |
| After five years | 16,203 | 17,138 |
| Total Debt Securities | 72,495 | 60,283 |

9. Maturity analysis of subordinated debt (in EUR)

| | 2001 | 2000 |
|-----------------------------------|--------|--------|
| Within one year | 728 | 1,523 |
| After one and within two years | 148 | 703 |
| After two and within three years | 495 | 188 |
| After three and within four years | 1,489 | 487 |
| After four and within five years | 1,429 | 1,427 |
| After five years | 11,994 | 9,077 |
| Total Debt Securities | 16,283 | 13,405 |

[auditor's report to be inserted]

10. Annual Financial Statements

Extracts of the Annual Financial Statements of Holding as at 31 December 2001 and the unaudited financial statements as at 31 December 2002 are reproduced below. The Annual Report dated 31 December 2001 and the unaudited financial statements dated 31 December 2002 are available for inspection at the office of each Agent specified in the relevant Country Supplement.

Consolidated balance sheet at 31 December 2001 after profit appropriation (in millions of euros)

| | 2001 | 2000 |
|---|----------------|----------------|
| Assets | | |
| Cash 1 | 17,932 | 6,456 |
| Short-dated government paper 2,5 | 12,296 | 11,199 |
| Banks 3 | 49,619 | 48,581 |
| <i>Loans to public sector</i> | 14,100 | 14,074 |
| <i>Loans to private sector</i> | 260,175 | 245,450 |
| <i>Professional securities transactions</i> | 71,055 | 58,842 |
| Loans 4 | 345,330 | 319,266 |
| Interest-earning securities 5 | 123,365 | 108,053 |
| Shares 5 | 16,794 | 17,787 |
| Participating interests 6 | 2,420 | 2,026 |
| Property and equipment 7 | 7,331 | 6,813 |
| Other assets 8 | 11,088 | 11,071 |
| Prepayments and accrued income 9 | 11,188 | 11,917 |
| | 597,363 | 543,169 |
| Liabilities | | |
| Banks 10 | 107,843 | 101,510 |
| <i>Savings accounts</i> | 84,345 | 80,980 |
| <i>Deposits and other client accounts</i> | 173,441 | 155,540 |
| <i>Professional securities transactions</i> | 54,578 | 40,020 |
| Total client accounts 11 | 312,364 | 279,549 |
| Debt securities 12 | 72,495 | 60,283 |
| Other liabilities 9 | 45,633 | 41,060 |
| Accruals and deferred income 3 | 12,949 | 14,791 |
| Provisions 13 | 12,672 | 13,422 |
| | 563,356 | 510,635 |
| Fund for general banking risks 14 | 1,381 | 1,319 |
| Subordinated debt 15 | 16,283 | 13,405 |
| <i>Shareholders' equity 16</i> | <i>11,787</i> | <i>12,523</i> |
| <i>Minority interests 17</i> | <i>4,956</i> | <i>5,287</i> |
| Group equity | 16,343 | 17,810 |
| Group capital | 34,007 | 32,534 |
| | 597,363 | 543,169 |
| Contingent liabilities 22 | 47,784 | 49,044 |
| Committed facilities | 145,570 | 138,457 |

Numbers stated against/next to the notes.

Consolidated income statement for 2001

In millions of euros

| | 2001 | 2000 | 1999 |
|--|---------------|---------------|---------------|
| Revenue | | | |
| Interest revenue | 25,012 | 37,236 | 29,062 |
| Interest expense | 24,922 | 27,832 | 20,375 |
| Net interest revenue 26 | 10,090 | 9,404 | 8,687 |
| Revenue from securities and participating interests 27 | 455 | 451 | 357 |
| Commission revenue | 5,792 | 6,529 | 4,947 |
| Commission expense | 579 | 849 | 492 |
| Net commissions 28 | 5,214 | 5,680 | 4,455 |
| Results from financial transactions 29 | 1,552 | 1,569 | 1,374 |
| Other revenue 30 | 1,523 | 1,165 | 654 |
| Total non-interest revenue | 8,744 | 9,065 | 6,840 |
| Total revenue 29 | 18,834 | 18,469 | 15,527 |
| Expenses | | | |
| Staff costs 31 | 7,652 | 7,460 | 5,768 |
| Other administrative expenses 32 | 5,161 | 4,801 | 4,041 |
| Administrative expenses | 12,814 | 12,261 | 9,809 |
| Depreciation 33 | 957 | 941 | 800 |
| Operating expenses | 13,771 | 13,202 | 10,609 |
| Provision for loan losses 34 | 1,426 | 617 | 653 |
| Release from fund for general banking risks 35 | | (32) | (20) |
| Value adjustments to financial fixed assets 36 | 24 | (43) | 35 |
| Total expenses | 15,221 | 13,744 | 11,277 |
| Operating profit before taxes | 3,613 | 4,725 | 4,250 |
| Taxes 37 | 998 | 1,324 | 1,320 |
| Operating profit after taxes | 2,615 | 3,401 | 2,930 |
| Extraordinary revenue 38 | 962 | | |
| Extraordinary expenses 39 | 147 | 900 | |
| Taxes on extraordinary result | (52) | (301) | |
| Extraordinary result after taxes | 867 | (500) | |
| Group profit after taxes | 3,482 | 2,902 | 2,930 |
| Minority interests 29 | 252 | 304 | 360 |
| Net profit | 3,230 | 2,498 | 2,570 |
| Earnings per ordinary share 40 | 2.10 | 1.63 | 1.72 |
| Fully diluted earnings per ordinary share 41 | 2.09 | 1.62 | 1.71 |
| Dividend per ordinary share | 0.90 | 0.90 | 0.80 |

Numbers in bold against items refer to the notes.

Notes to the consolidated balance sheet and income statement (unless otherwise stated, all amounts are in millions of euros)

1 Cash

This item includes legal tender and demand deposits with central banks in countries in which the bank has a presence.

2 Short-dated government paper

This item includes securities issued by public authorities, such as treasury paper, with original terms of two years or less, provided they can be refinanced with a central bank.

3 Banks (assets)

This item includes receivables, including professional securities transactions, from credit institutions, central banks and multilateral development banks not already recognised in cash. Securitised receivables are included in interest-earning securities or shares.

4 Loans and credit risk

This item includes amounts receivable in connection with loans, including professional securities transactions, insofar as they are not recognised in the item banks. Securitised receivables are included in interest-earning securities or shares.

In granting facilities and loans, the bank incurs a credit risk, i.e. the risk that the receivable will not be paid. This is related primarily to the balance sheet items banks, loans and interest-earning securities, and to off-balance sheet items. Concentration of credit risk could result in a material loss for the bank if a change in economic circumstances were to affect a whole industry or country.

Sector analysis of loans

| | 2001 | 2000 |
|--|----------------|----------------|
| Public sector | 14,114 | 15,000 |
| Commercial | 153,770 | 148,102 |
| Retail | 110,860 | 101,540 |
| Professional securities transactions | 71,055 | 58,842 |
| Allowances for loan losses and sovereign risks | (4,469) | (4,218) |
| Loans | 345,330 | 319,266 |

Collateral for private sector loans

Collateral is frequently demanded in connection with lending operations. The following table analyses private sector loans by type of collateral. Unsecured loans also include loans for which the bank has the right to require collateral.

| | 2001 | 2000 |
|---|----------------|----------------|
| Commercial | | |
| Public authority guarantees | 3,866 | 6,932 |
| Mortgages | 20,575 | 22,615 |
| Securities | 2,606 | 3,246 |
| Bank guarantees | 2,941 | 5,606 |
| Other types of collateral and unsecured | 123,783 | 109,703 |
| Total commercial loans | 153,770 | 148,102 |
| Retail | | |
| Public authority guarantees | 3,030 | 6,392 |
| Mortgages | 83,798 | 74,496 |
| Other types of collateral and unsecured | 24,032 | 20,652 |
| Total retail loans | 110,860 | 101,540 |

Commercial loans by industry

| | 2001 | 2000 |
|---|----------------|----------------|
| Agriculture, mining and energy | 9,379 | 10,436 |
| Manufacturing | 31,482 | 36,751 |
| Construction and real estate | 20,268 | 17,972 |
| Wholesale and retail trade | 20,990 | 21,387 |
| Transportation and communications | 18,371 | 12,894 |
| Financial services | 22,025 | 17,260 |
| Business services | 16,534 | 15,091 |
| Education, health care and other services | 14,721 | 16,311 |
| Total commercial loans | 153,770 | 148,102 |

Loans per region

| | 2001 | 2000 |
|--------------------------------------|----------------|----------------|
| Netherlands | | |
| Public sector | 2,550 | 2,901 |
| Commercial | 54,329 | 53,734 |
| Retail | 75,847 | 67,635 |
| Professional securities transactions | 1,883 | 1,487 |
| Total Netherlands | 134,609 | 125,757 |
| North America | | |
| Public sector | 1,099 | 984 |
| Commercial | 51,658 | 46,229 |
| Retail | 25,353 | 23,580 |
| Professional securities transactions | 54,932 | 41,493 |
| Total North America | 133,042 | 112,286 |
| Rest of the world | | |
| Public sector | 10,465 | 11,115 |
| Commercial | 47,783 | 48,139 |
| Retail | 9,660 | 10,325 |
| Professional securities transactions | 14,240 | 15,862 |
| Total Rest of the world | 82,148 | 85,441 |
| Total | 349,799 | 323,484 |

Movements in allowances for loan losses

| | 2001 | 2000 | 1999 |
|--|--------------|--------------|---------------|
| Opening balance | 4,195 | 4,458 | 4,116 |
| Currency translation differences and other movements | (227) | 233 | 178 |
| Write-offs | (1,158) | (1,575) | (771) |
| Received after write-off | 193 | 108 | 119 |
| | 3,003 | 3,224 | 3,642 |
| Addition from net interest revenue | 155 | 157 | 138 |
| <i>Addition from provision for loan losses</i> | <i>2,052</i> | <i>1,278</i> | <i>(,085)</i> |
| <i>Transfer to provision for loan losses</i> | <i>(710)</i> | <i>(484)</i> | <i>(407)</i> |
| Net increase | 1,342 | 814 | 678 |
| Closing balance | 4,500 | 4,195 | 4,458 |

Sovereign risk

Loans and other exposures are often not restricted to the country in which the facility is extended, but also involve banks, public authorities and other clients in foreign countries, and are mostly denominated in foreign currencies. The total cross-border exposure is very substantial but relates mainly to OECD countries. An increased risk on these outstandings would arise if and insofar as government measures or extreme economic conditions in specific countries were to restrict debt servicing. Until 2000 additional cross-border risk allowances were applied in such circumstances. As from December 2000, however, the existing country provision method was replaced by a system of sovereign provisions.

Under the new method only foreign currency debt of certain sovereigns is provisioned. The current value of US Treasury collateral issued as part of restructuring programmes is taken into account in determining actual sovereign risk allowances. A sovereign allowance is a kind of counterparty allowance, whereas a country risk allowance is a general allowance on the total exposure to a country.

Analysis of sovereign risk and allowances at 31 December 2001

| | Net exposure | Risk allowances |
|---------------------------------|--------------|-----------------|
| Central and Eastern Europe | 249 | 62 |
| Latin America and the Caribbean | 745 | 230 |
| Asia Pacific | 31 | 17 |
| Other countries | 55 | 36 |
| Total | 1,080 | 345 |

Movements in sovereign risk allowances

| | 2001 | 2000 | 1999 |
|----------------------------------|------------|------------|------------|
| Opening balance | 272 | 533 | 404 |
| Currency translation differences | 12 | 36 | 74 |
| Provision for loan losses | 84 | (197) | (25) |
| Other movements | (23) | (100) | (10) |
| Closing balance | 345 | 272 | 533 |

Allowances for sovereign risks and country risks respectively are charged to loans, banks and interest-bearing securities.

Leasing

Amounts included regarding finance lease agreements and the related present values, whereby the bank acts as lessor in a finance lease are:

| | Minimum lease payments | Present value |
|--------------------------------------|------------------------|---------------|
| Within one year | 347 | 338 |
| After one year and within five years | 998 | 891 |
| After five years | 328 | 251 |
| Total | 1,673 | 1,480 |

The total of unearned finance income amounted to EUR 320 million. The unguaranteed residual values of the leased assets accruing to ABN AMRO amounted to EUR 179 million.

Operationally leased assets totalled EUR 10,152 million, of which EUR 10,079 million related to vehicles, EUR 71 million to computer equipment and EUR 2 million to other.

Other

The item loans includes subordinated debt amounting to EUR 21 million (2000: EUR 22 million), as well as loans securitised by the bank amounting to EUR 10.6 billion in consideration of which debt paper issued is included in the balance sheet.

5 Securities

The balance sheet items short-dated government paper, interest-earning securities and shares include the investment portfolios, the trading portfolios, securitised receivables such as treasury paper and commercial paper, and equity participations. Interest-earning securities forming part of an investment portfolio, which principally consist of central government bonds, serve as a liquidity buffer among others. The bank attempts to maximise the return on these instruments through a policy of active management. Equity investments held on a long-term basis are also included in the investment portfolios.

The aforementioned balance sheet items can be analysed as follows:

| | 2001 | 2000 |
|------------------------------|----------------|----------------|
| Investment portfolios | 85,957 | 67,893 |
| Trading portfolios | 51,325 | 52,305 |
| Short-dated government paper | 3,126 | 5,579 |
| Other bank paper | 3,295 | 3,207 |
| Other debt securities | 6,145 | 5,957 |
| Other | 903 | |
| Equity participations | 1,704 | 2,098 |
| Total securities | 152,455 | 137,039 |

of which:

| | Listed | | Unlisted | |
|-----------------------------------|---------------|---------------|---------------|---------------|
| | 2001 | 2000 | 2001 | 2000 |
| Public authority paper | 63,077 | 37,765 | 13,435 | 23,097 |
| Other interest-earning securities | 18,643 | 20,968 | 40,506 | 37,422 |
| Shares | 14,054 | 14,696 | 2,740 | 3,101 |
| Total securities | 95,774 | 73,419 | 56,681 | 63,620 |

Listed securities include all securities which are traded on any stock exchange. Third parties hold legal title to part of the securities included in the portfolios. This is related to securities sold with repurchase commitments (EUR 41,532 million, 2000: EUR 11,639 million) and securities lending transactions (EUR 62,943 million, 2000: EUR 5,947 million). In addition, ABN AMRO borrowed securities totalling EUR 37,730 million (2000: EUR 16,482 million). These securities are not shown in the balance sheet. The item interest-earning securities includes securities of a subordinated nature totalling EUR 308 million (2000: EUR 131 million) and non-subordinated interest-earning securities issued by group companies totalling EUR 826 million (2000: EUR 1,249 million).

As part of its securities brokerage activities, the bank also trades in ABN AMRO shares. In addition, shares were repurchased on the stock exchange in connection with staff options granted, performance share plan and to cover positions with clients. At balance sheet date, the treasury stock position of group companies included 6.8 million ABN AMRO Holding N.V. ordinary shares. The corresponding amount of EUR 123 million has been deducted from reserves.

An amount of EUR 19,815 million is scheduled for redemption in 2002.

Investment portfolios

The analysis below shows the book value and the fair value of ABN AMRO's investment portfolios. Fair value is based on quoted prices for traded securities and estimated market value for non-traded securities.

| | 2001 | | | 2000 | | |
|---|---------------|-----------------------|---------------|---------------|-----------------------|---------------|
| | Book value | Premiums or discounts | Fair value | Book value | Premiums or discounts | Fair value |
| Dutch government | 5,016 | 114 | 5,291 | 6,503 | 17 | 6,682 |
| US Treasury and | | | | | | |
| US government agencies | 10,520 | 124 | 10,586 | 4,235 | (21) | 4,290 |
| Other OECD governments | 26,036 | 536 | 26,943 | 19,853 | 313 | 20,475 |
| Mortgage-backed securities | 26,415 | 98 | 26,478 | 21,559 | (89) | 21,558 |
| Other interest-earning securities | 13,121 | (40) | 13,364 | 10,288 | (73) | 10,482 |
| Total interest-earning securities and short-dated government paper | 81,107 | 832 | 82,662 | 62,438 | 147 | 63,437 |
| Shares | 4,850 | | 4,850 | 5,455 | | 5,455 |
| Total investment portfolios | 85,957 | | 87,512 | 67,893 | | 68,892 |

The book value of the investment portfolios developed during 2001 as follows:

| | Interest-earning | Shares |
|--|------------------|--------------|
| Opening balance of banking business investment portfolio | 59,465 | 1,668 |
| Movements: | | |
| • Purchases | 97,948 | 1,341 |
| • Sales | (61,794) | (1,214) |
| • Redemptions | (14,191) | |
| • Acquisitions/dispositions | (4,044) | (57) |
| • Revaluations | | (51) |
| • Currency translation differences | 2,658 | 3 |
| • Other | (270) | 33 |
| Closing balance of banking business investment portfolio | 79,672 | 1,723 |
| Closing balance of insurance business investment portfolio | 1,435 | 3,127 |
| Total investment portfolios | 81,107 | 4,850 |
| Revaluations included in closing balance | | 3 |
| Diminutions in value included in closing balance | | 79 |

Premiums and discounts on the investment portfolios are amortised. The purchase price of the investment portfolios, including unamortised amounts from replacement transactions, was EUR 148 million above the redemption value.

Trading portfolios

The following table analyses the composition of the trading portfolios.

| | 2001 | 2000 |
|--|---------------|---------------|
| Dutch government | 541 | 1,534 |
| US Treasury and US government agencies | 16,476 | 8,519 |
| Other OECD governments | 13,823 | 16,071 |
| Other interest-earning securities | 11,148 | 15,047 |
| Total interest-earning securities | 41,988 | 42,071 |
| Shares | 9,337 | 10,234 |
| Total trading portfolios | 51,325 | 52,305 |

Other securities

The following table analyses the book value and fair value of other securities.

| | 2001 | | 2000 | |
|--|---------------|---------------|---------------|---------------|
| | Book value | Fair value | Book value | Fair value |
| Short-dated government paper | 3,126 | 3,146 | 5,579 | 5,593 |
| Other bank paper | 3,295 | 3,295 | 3,207 | 3,207 |
| Other debt securities | 6,145 | 6,144 | 5,957 | 5,928 |
| Total interest-earning securities | 12,566 | 12,585 | 14,743 | 14,728 |
| Shares and equity participations | 2,607 | 2,449 | 2,098 | 2,085 |
| Total other securities | 15,173 | 15,034 | 16,841 | 16,793 |

6 Participating interests

This item includes equity participations held on a long-term basis for the purpose of business operations.

| | 2001 | 2000 |
|--|--------------|--------------|
| Credit institutions | 1,152 | 916 |
| Other participating interests | 1,268 | 1,110 |
| Total participating interests | 2,420 | 2,026 |
| Development: | | |
| Opening balance | 2,026 | 1,894 |
| Movements: | | |
| • Purchases/increases | 185 | 196 |
| • Sales/reductions | (118) | (202) |
| • Revaluations | 48 | (4) |
| • Other | 279 | 152 |
| Closing balance | 2,420 | 2,026 |
| Revaluations included in closing balance | 50 | 2 |

Participating interests with official stock exchange listings represented a book value of EUR 914 million (2000: EUR 629 million).

7 Property and equipment

| | 2001 | 2000 |
|-------------------------------------|--------------|--------------|
| Property used in operations | 3,456 | 3,376 |
| Other property | 1,907 | 1,533 |
| Equipment | 1,968 | 1,904 |
| Total property and equipment | 7,331 | 6,813 |

At 31 December 2001 EUR 196 million of internally generated software is capitalised under equipment.

| | Total | Property | | Equipment |
|--|--------------|--------------------|--------------|--------------|
| | | Used in operations | Other | |
| Development: | | | | |
| Opening balance | 6,813 | 3,376 | 1,533 | 1,904 |
| Movements: | | | | |
| • Purchases | 1,611 | 346 | 277 | 988 |
| • Sales | (414) | (168) | (125) | (121) |
| • Revaluations | 1 | 1 | | |
| • Depreciation | (957) | (228) | | (729) |
| • Acquisitions/dispositions | 74 | 90 | 2 | (18) |
| • Other | 203 | 39 | 220 | (56) |
| | 518 | 80 | 374 | 64 |
| Accumulated amounts: | | | | |
| Replacement cost | 10,702 | 4,681 | 1,910 | 4,111 |
| Depreciation | (3,371) | (1,225) | (3) | (2,143) |
| Closing balance | 7,331 | 3,456 | 1,907 | 1,968 |
| Revaluations included in closing balance | 152 | 149 | 3 | |

Legal title to property and equipment totalling EUR 119 million (2000: EUR 34 million) is held by third parties, of which EUR 52 million relates to finance lease transactions in which the bank acts as a lessee.

Payables with respect to these finance lease agreements are:

| | Payables on finance lease agreements |
|--------------------------------------|--------------------------------------|
| Within one year | 24 |
| After one year and within five years | 28 |
| Total | 52 |

Amounts received and to be received out of operating sub-leases are EUR 5 million and EUR 2 million respectively.

8 Other assets and other liabilities

These items include those amounts which are not of an accrued or deferred nature or which cannot be classified with any other balance sheet item. This concerns, for example, current tax assets (2001: EUR 316 million) and current tax liabilities (2001: EUR 1,011 million), deferred tax assets (2001: EUR 936 million), options, servicing rights, precious metals and other goods, balances of payment transactions still to be settled, short securities positions and market value of interest rate and currency contracts as part of trading activities. Also included are options on behalf of customers (2001: EUR 352 million).

9 Prepayments and accrued income and accruals and deferred income

These items include revenue and expenses recognised in the period under review but whose actual receipt or payment falls in a different period, as well as the total net difference between contract rates and spot rates on foreign exchange hedging operations.

10 Banks (liabilities)

This item comprises debts, including amounts on account of professional securities transactions, to credit institutions, central banks and multilateral development banks.

11 Total client accounts

This item includes total client balances held in current accounts, savings accounts and deposits, as well as debts on account of professional securities transactions and non-subordinated private loans.

| | 2001 | 2000 |
|--------------------------------------|----------------|----------------|
| Savings accounts | 84,345 | 80,960 |
| Corporate deposits | 87,838 | 77,722 |
| Professional securities transactions | 54,578 | 43,020 |
| Other client accounts | 85,603 | 77,827 |
| Total client accounts | 312,364 | 279,549 |

12 Debt securities

This item includes non-subordinated debt and other negotiable interest-bearing debt securities.

| | 2001 | 2000 |
|--|---------------|---------------|
| Debentures and notes | 41,976 | 24,736 |
| Cash notes, savings certificates and bank certificates | 7,666 | 8,015 |
| Certificates of deposit and commercial paper | 22,853 | 27,532 |
| Total debt securities | 72,495 | 60,283 |

The debentures are issued principally in the Dutch capital market and the Euromarket and are denominated mostly in euros and US dollars. The commercial paper programme is conducted mainly in the United States and is denominated in US dollars. The other debt securities are instruments used in markets in which ABN AMRO is active and are usually denominated in local currencies. At 31 December 2001, debt securities denominated in euros amounted to EUR 31,789 million and those denominated in US dollars to EUR 34,461 million.

At 31 December 2001 the debentures and notes, originally issued in the Dutch capital market, included EUR 9,541 million of variable rate obligations. In addition, EUR 4,793 million of the debentures and notes had been converted into variable rate obligations through the use of asset-liability management derivative contracts. In comparison to previous years the debentures and notes (issued in the Dutch capital market) increased substantially as a result of the asset securitisation programs. The average interest rate on the debentures and notes, adjusted to reflect the effect of asset-liability management derivative contracts at year-end 2001, was 4.32%.

Maturity analysis of debt securities

| | 2001 | 2000 |
|-----------------------------------|---------------|---------------|
| Within one year | 40,614 | 31,724 |
| After one and within two years | 5,276 | 3,385 |
| After two and within three years | 3,843 | 2,649 |
| After three and within four years | 2,794 | 2,532 |
| After four and within five years | 3,765 | 2,855 |
| After five years | 16,203 | 17,138 |
| Total debt securities | 72,495 | 60,283 |

13 Provisions

| | 2001 | 2000 |
|--|---------------|---------------|
| Provision for deferred tax liabilities (see note 37) | 741 | 1,391 |
| Provision for pension commitments | 242 | 252 |
| Provisions for payments to non-active employees | 279 | 251 |
| Insurance fund liabilities | 10,123 | 9,984 |
| Restructuring provisions | 519 | 837 |
| Other provisions | 768 | 707 |
| Total provisions | 12,672 | 13,422 |

The provisions for payments to non-active employees relate to early retirement, total disability, contributions to medical expenses and other commitments. Insurance fund liabilities include the actuarial reserves and the premium and claims reserves of the group's insurance companies.

More details regarding the restructuring provisions are given in note 38.

Provisions are generally long-term in nature.

| | Pension commitments | Payments to non-active employees | Restructuring | Other provisions |
|---|---------------------|----------------------------------|---------------|------------------|
| Opening balance | 252 | 251 | 837 | 707 |
| Movements: | | | | |
| • Additions from income statement | 54 | 83 | 201 | 113 |
| • Expenses charged to provisions | (60) | (50) | (519) | (52) |
| • Currency translation differences | 8 | | | (34) |
| • Accruals and changes in discount rate | | 6 | | |
| • Acquisitions/dispositions | (12) | (11) | | 34 |
| Closing balance | 242 | 279 | 519 | 768 |

14 Fund for general banking risks

The fund for general banking risks covers general risks associated with lending and other banking activities. The fund is net of tax and forms part of tier 1 capital; it is maintained partly in currencies other than the euro.

| | 2001 | 2000 |
|----------------------------------|--------------|--------------|
| Opening balance | 1,319 | 1,232 |
| Movements: | | |
| Release to income statement | | (32) |
| Tax on release | | 11 |
| | | (21) |
| Acquisitions | 75 | |
| Disposition (EAB) | (53) | |
| Currency translation differences | 40 | 57 |
| Other | | 51 |
| Closing balance | 1,381 | 1,319 |

15 Subordinated debt

This item includes subordinated debentures and loans which, according to the standards applied by the Dutch central bank, qualify for the consolidated capital adequacy ratio. It comprises debt subordinated to all other current and future liabilities of ABN AMRO Holding N.V. as well as borrowings of consolidated participating interests, including EUR 15,863 million raised by ABN AMRO Bank N.V. In general, early repayment, in whole or in part, is not permitted.

The average interest rate on subordinated debt was 6.3%.

Maturity analysis of subordinated debt

| | 2001 | 2000 |
|--|---------------|---------------|
| Within one year | 728 | 1,523 |
| After one and within two years | 148 | 703 |
| After two and within three years | 496 | 188 |
| After three and within four years | 1,489 | 487 |
| After four and within five years | 1,429 | 1,427 |
| After five years | 11,994 | 9,077 |
| of which: | | |
| Perpetual | 2,226 | 136 |
| Preference shares qualifying as tier 1 capital | 2,562 | 825 |
| Total subordinated debt | 16,283 | 13,405 |

Subordinated debt as at 31 December 2001 was denominated in euros to an amount of EUR 8,165 million and in US dollars to an amount of EUR 7,912 million, and included EUR 3,789 million of variable rate obligations.

16 Shareholders' equity

| | 2001 | 2000 | 1999 |
|-----------------------------------|---------------|---------------|---------------|
| Share capital | 1,677 | 1,676 | 1,658 |
| Reserves | 10,233 | 10,868 | 10,358 |
| | 11,910 | 12,544 | 12,016 |
| Treasury stock | (123) | (21) | (29) |
| Total shareholders' equity | 11,787 | 12,523 | 11,987 |

For further information reference is made to the section on changes in shareholders' equity.

Share capital

The authorised share capital of ABN AMRO Holding N.V. amounts to EUR 4,704,000,224 face value and consists of one hundred priority shares, four billion ordinary shares, one billion preference shares and one hundred million convertible preference shares, each of which is convertible into four ordinary shares.

The issued and paid-up share capital is made up of the following numbers of shares:

| | |
|---|---------------|
| Priority share (face value EUR 2.24) | 1 |
| Ordinary shares (face value EUR 0.56) | 1,542,297,858 |
| Preference shares (face value EUR 2.24) | 262,503,010 |
| Convertible preference shares (face value EUR 2.24) | 684,769 |

On 31 December 2001, 6,764,904 ordinary shares were repurchased, of which 5,700,000 in connection with the performance share plan and 1,064,904 in connection with staff options granted.

The preference shares are registered shares; the dividend has been fixed with effect from 1 January 2001 at 5.55% of the face value. This percentage will be adjusted on 1 January 2011 in the manner stipulated in the articles of association.

Dividend on convertible preference shares has been fixed at EUR 1.72 (rounded) per share per annum until the end of 2003. Holders of convertible preference shares can convert their shares into 2.7 million ordinary shares until 31 October 2003, on payment of EUR 0.79 (rounded) per ordinary share.

Reserves

| | 2001 | 2000 | 1999 |
|--|---------------|---------------|---------------|
| Share premium account | 2,504 | 2,518 | 2,480 |
| Revaluation reserves | 355 | 300 | 320 |
| Reserves prescribed by law and articles of association | 258 | 207 | 205 |
| General reserve | 7592 | 8,169 | 7,777 |
| Exchange differences reserves | (476) | (326) | (424) |
| Other reserves | 7,116 | 7,843 | 7,353 |
| Total reserves | 10,233 | 10,668 | 10,358 |

The share premium account is regarded as paid-up capital for tax purposes.

Due to dispositions and depreciation, EUR 173 million of the revaluation reserves is regarded as realised. The remaining part is regarded as a legal reserve. The expected stock dividend percentage (55%) for the final dividend was taken into consideration.

Staff options

Apart from Managing Board members and other top management, employees of ABN AMRO in the Netherlands are periodically offered the opportunity to acquire equity options whose value is related to the option exercise price. The exercise price of staff options is equal to the average of the highest and lowest ordinary share price quoted on the Euronext Amsterdam on the date of grant. With effect of 2001, options granted to top management have a duration of seven years instead of a previous maximum of five years.

However, the majority of the options is not exercisable during the first three years from the date of grant. Open periods have been established for senior management and other designated persons. This category of staff is not permitted to exercise its options outside the open periods, except on the expiration date and the preceding five working days, subject to certain conditions. In 2001, approximately 34,000 employees exercised the right to take equity options.

In 1999, 2000 and 2001, the price of options exercised ranged from EUR 6.67 to EUR 24.32. If fully exercised, the options at year-end 2001 would have increased the number of ordinary shares by 60.7 million (see following analysis).

| Year of expiration | Staff options (in thousands) | Average exercise price (in euros) | Low/high exercise price (in euros) |
|--------------------|------------------------------|-----------------------------------|------------------------------------|
| 2002 | 6,093 | 16.59 | 15.38-18.60 |
| 2003 | 13,956 | 22.56 | 17.28-23.52 |
| 2004 | 10,628 | 20.77 | 18.10-24.32 |
| 2005 | 5,677 | 21.17 | 17.95-24.11 |
| 2007 | 4,744 | 21.30 | 21.30 |
| 2008 | 9,620 | 22.74 | 22.34-23.14 |
| Total | 50,658 | 21.23 | 15.38-24.32 |

| | 2001 | | 2000 | |
|---|------------------------------|-----------------------------------|------------------------------|-----------------------------------|
| | Staff options (in thousands) | Average exercise price (in euros) | Staff options (in thousands) | Average exercise price (in euros) |
| Opening balance | 42,016 | 20.46 | 34,306 | 19.32 |
| Options granted to Managing Board members | 550 | 23.14 | 482 | 21.30 |
| Options granted to other top management | 4,336 | 23.14 | 4,489 | 21.28 |
| Other options granted | 6,583 | 21.28 | 6,906 | 21.28 |
| Options exercised | (2,524) | 12.06 | (4,008) | 14.91 |
| Options expired and forfeited | (302) | 20.59 | (159) | 19.54 |
| Closing balance | 50,658 | 21.23 | 42,016 | 20.46 |

To settle the options granted, with effect from 1 January 2001, ABN AMRO will each year make available new ordinary shares up to 1% of the issued ordinary shares. The total of outstanding options that will be settled through the issuance of new ordinary shares will not exceed 10% of the issued ordinary shares.

To settle additional options granted above these limits, ABN AMRO will repurchase shares in the open market or hedge these options through derivative transactions. If all rights are fully exercised, shareholders' equity would increase by an amount of EUR 1,078 million.

Deliveries on options exercised in 2001 were made from share repurchases on the date of grant (2,031,105 shares) and from new shares issued on the exercise date (492,950 shares).

If ABN AMRO had based the cost of staff options granted in 2001 at the fair value of the options at the date of grant instead of the intrinsic value of the options, net profit and earnings per ordinary shares would have been EUR 66 million and EUR 0.04 lower respectively.

17 Minority interests

This item comprises the share of third parties in the equity of subsidiaries and other group companies, as well as preferred stock issued to third parties by subsidiaries in the United States. The right to repayment of this preferred stock is in all cases vested in the issuing institution but repayment is also subject to approval of the supervisory authorities. If this right is not exercised, preference shares without fixed dividend entitlement qualify for a dividend step-up. In terms of dividend and liquidation rights, Trust preferred shares are comparable to ABN AMRO Holding N.V. preference shares.

| | 2001 | 2000 | 1999 |
|--|--------------|--------------|--------------|
| Cumulative preference shares | | | 109 |
| Non-cumulative preference shares | | | |
| - Trust preferred shares with fixed dividend | 2,834 | 2,689 | 2,468 |
| - Other shares with fixed dividend | 458 | 480 | 547 |
| - Other shares with dividend step-up | 321 | 1,027 | 1,209 |
| Other minority interests | 943 | 1,091 | 592 |
| Total | 4,556 | 5,287 | 4,945 |

| | 2001 | 2000 | 1999 |
|--|--------------|--------------|--------------|
| Opening balance | 5,287 | 4,945 | 3,530 |
| Currency translation differences | 244 | 413 | 556 |
| Issue of preference shares | | | 1,180 |
| Acquisitions/dispositions | (413) | | |
| Redemption/repurchase of preference shares | (415) | (528) | |
| Other movements | (147) | 457 | (321) |
| Closing balance | 4,556 | 5,287 | 4,945 |

18 Capital adequacy

The standards applied by the Dutch central bank for the principal capital ratios are based on the capital adequacy guidelines of the European Union and the Basel Committee for Banking Supervision. These ratios compare the bank's total capital and tier 1 capital with the total of risk-weighted assets and off-balance sheet items and the market risk associated with the trading portfolios. The minimum requirement for the total capital ratio and tier 1 ratio is 8% and 4% respectively of risk-weighted assets.

The following table analyses actual capital and the minimum standard in accordance with supervisory requirements.

| | 2001 | | 2000 | |
|----------------------|----------|--------|----------|--------|
| | Required | Actual | Required | Actual |
| Total capital | 21,871 | 29,814 | 21,108 | 27,421 |
| Total capital ratio | 8.0% | 10.91% | 8.0% | 10.39% |
| Tier 1 capital | 10,936 | 19,224 | 10,554 | 19,010 |
| Tier 1 capital ratio | 4.0% | 7.03% | 4.0% | 7.20% |

19 Accounts with participating interests

Amounts receivable from and payable to participating interests included in the various balance sheet items totalled:

| | 2001 | 2000 |
|-----------------------|------|------|
| Banks (assets) | 109 | 10 |
| Loans | 247 | 216 |
| Banks (liabilities) | 332 | 380 |
| Total client accounts | 27 | 48 |

20 Maturity

Short-dated liabilities and demand deposits are generally matched by cash, assets that can be realised at short notice or lending operations as part of the interest rate risk policy. The balance sheet is already presented in descending order of liquidity. A number of items containing assets or liabilities with varying maturities are analysed in the table on page 87. This analysis does not include liquid assets such as cash and short-dated government paper and the bond investment portfolios, which by their nature can be realised at short notice. In every country in which ABNAMRO is active, liquidity satisfies the standards imposed by the supervisory authorities.

Maturity analysis (in billions of euros)

| | On demand | < 3 months | 3 m. - < 1 yr | 1 yr. - < 5 yr | > 5 yr |
|--|-----------|------------|---------------|----------------|--------|
| Banks liabilities | 11 | 68 | 18 | 9 | 2 |
| Savings accounts | 55 | 19 | 6 | 4 | |
| Deposits and other client accounts (including professional securities transactions) | 73 | 130 | 16 | 4 | 5 |
| Debt securities | | 26 | 14 | 16 | 16 |
| Subordinated debt | | | 1 | 3 | 12 |
| Banks assets | 8 | 30 | 10 | 1 | 1 |
| Loans | 20 | 113 | 45 | 72 | 65 |

21 Currency position

Of total assets and total liabilities, amounts equivalent to EUR 287 billion and EUR 375 billion respectively are denominated in currencies other than the euro. Positions arising from balance sheet items are generally hedged by foreign exchange contracts not included in the balance sheet. The actual currency positions arising out of the bank's proprietary foreign exchange dealing activities are of limited size. Capital invested in operations outside the Netherlands is largely funded in euros. Part of the resulting currency positions is used to offset movements in required capital for foreign-currency risk-bearing assets, which is also due to exchange rate fluctuations. Similar reasoning lies behind the policy of issuing preferred stock and subordinated debt in foreign currencies.

22 Collateral provided

In connection with collateral provided for specific liabilities and off-balance sheet commitments, as well as for transactions in financial markets, specific assets are not freely available. This relates to cash (EUR 1.2 billion), securities (EUR 10.9 billion) and loans (EUR 26.3 billion). Collateral has been provided for liabilities included in the item total client accounts (EUR 14.4 billion).

23 Contingent liabilities

| | 2001 | 2000 |
|--|---------------|---------------|
| Commitments with respect to guarantees granted | 43,334 | 43,633 |
| Commitments with respect to irrevocable letters of credit | 4,379 | 5,291 |
| Commitments with respect to recourse risks arising from discounted bills | 71 | 120 |
| | 47,784 | 49,044 |

24 Derivatives

Derivatives are financial instruments, the contracted or notional amounts of which are not included in the balance sheet either because rights and obligations arise out of one and the same contract, the performance of which is due after balance sheet date, or because the notional amounts serve merely as variables for calculation purposes. Examples of derivatives are forward exchange contracts, options, swaps, futures and forward rate agreements. The underlying value may involve interest rate, currency, commodity, bond or equity products or a combination of these. Derivatives transactions are conducted as a trading activity (also on behalf of clients) and as a hedge against ABN AMRO's own interest rate and currency exposure.

The degree to which ABN AMRO is active in the respective markets or market segments is shown in the following analysis by means of notional amounts (including maturity profile based on remaining term). The notional amounts, however, give no indication of the size of the cash flows and the market risk or credit risk attaching to derivatives transactions.

The market risk arises from movements in variables determining the value of derivatives, such as interest rates and quoted prices. The credit risk is the loss that would arise if a counterparty were to default. This is related, however, to the market risk since the extent of the credit risk is in part determined by actual and expected market fluctuations. In calculating the credit risk shown in the table below, netting agreements and other collateral have not been taken into consideration.

Derivatives transactions (in billions of euros)

| | | Notional amounts | | | Total | Credit risk |
|--------------------------------|----------------|------------------|---------------|--------|-------|-------------|
| | | ≤ 1 yr | 1 yr - ≤ 5 yr | > 5 yr | | |
| Interest rate contracts | | | | | | |
| OTC | Swaps | 428 | 543 | 409 | 1,380 | 26 |
| | Forwards | 181 | 6 | | 187 | |
| | Options | 72 | 150 | 64 | 286 | 2 |
| Exchange-traded | Futures | 180 | 65 | | 245 | |
| | Options | 345 | 5 | | 350 | |
| Currency contracts | | | | | | |
| OTC | Swaps | 59 | 101 | 42 | 202 | 6 |
| | Forwards | 432 | 47 | 1 | 480 | 8 |
| | Options | 53 | 2 | | 55 | 1 |
| Exchange-traded | Futures | 2 | | | 2 | |
| | Options | 2 | | | 2 | |
| Other contracts | | | | | | |
| OTC | Forwards/Swaps | 2 | 2 | | 4 | |
| | Options | 12 | 16 | | 28 | 2 |
| Exchange traded | Futures | 5 | | | 5 | |
| | Options | 14 | 7 | | 21 | |
| Total derivatives | | 1,787 | 944 | 516 | 3,247 | 45 |

The tables below give an indication of the notional amounts and leverage market values of the principal types of trading portfolio contracts and hedging portfolio contracts (i.e. contracts entered into as part of the bank's interest rate and exchange rate policies). Intercompany transactions between hedging and trading portfolios have not been eliminated from the figures.

Trading portfolio derivatives transactions in 2001 (in billions of euros)

| | Notional amounts | Market value | | Average market value | |
|--------------------------------------|------------------|---------------|---------------|----------------------|---------------|
| | | Positive | Negative | Positive | Negative |
| Interest rate contracts | | | | | |
| Swaps | 1,524,582 | 27,889 | 25,284 | 23,198 | 18,754 |
| Forwards | 187,310 | 167 | 92 | 159 | 130 |
| Options purchased | 302,039 | 2,665 | | 1,891 | |
| Options sold | 339,350 | | 2,505 | | 1,734 |
| Futures | 229,559 | | | | |
| Total interest rate contracts | 2,582,840 | 30,721 | 27,881 | 25,248 | 20,608 |
| Currency contracts | | | | | |
| Swaps | 199,913 | 6,415 | 2,475 | 5,938 | 6,510 |
| Forwards | 488,541 | 8,172 | 6,468 | 8,933 | 7,933 |
| Options purchased | 24,975 | 566 | | 506 | |
| Options sold | 28,770 | | 3,420 | | 592 |
| Futures | 1,140 | | | | |
| Total currency contracts | 743,339 | 15,153 | 12,383 | 15,377 | 15,035 |
| Other contracts | | | | | |
| Equity options purchased | 24,811 | 2,005 | | 198 | |
| Equity options sold | 24,925 | | 3,252 | | 974 |
| Other equity and commodity contracts | 8,938 | 280 | 79 | 990 | 1,072 |
| Total other contracts | 58,674 | 2,285 | 3,331 | 1,188 | 2,046 |

Trading portfolio derivatives transactions in 2000 (in billions of euros)

| | Notional amounts | Market value | | Average market value | |
|-------------------------|------------------|--------------|----------|----------------------|----------|
| | | Positive | Negative | Positive | Negative |
| Interest rate contracts | 1,588,620 | 18,494 | 16,482 | 16,459 | 15,321 |
| Currency contracts | 640,008 | 17,828 | 17,734 | 17,543 | 16,375 |
| Other contracts | 78,648 | 1,278 | 3,043 | 2,044 | 3,605 |

Hedging portfolio derivatives transactions (in billions of euros)

| | Notional amounts | 2001 | | Notional amounts | 2000 | |
|--------------------------------------|------------------|-----------------------|-----------------------|------------------|-----------------------|-----------------------|
| | | Market value Positive | Market value Negative | | Market value Positive | Market value Negative |
| Interest rate contracts | | | | | | |
| Swaps | 226,865 | 2,885 | 4,197 | 125,138 | 2,295 | 2,377 |
| Forwards | 4,224 | 2 | 3 | 4,598 | 2 | 2 |
| Options purchased | 6,356 | 61 | | 19,788 | 338 | |
| Futures | 15,196 | | | 6,266 | | |
| Total interest rate contracts | 252,641 | 2,948 | 4,200 | 155,790 | 2,635 | 2,379 |
| Currency contracts | | | | | | |
| Swaps | 5,642 | 62 | 291 | 12,148 | 300 | 275 |
| Forwards | 21,465 | 413 | 284 | 16,000 | 295 | 223 |
| Options purchased | 933 | 9 | | 6,107 | 103 | |
| Total currency contracts | 28,040 | 484 | 575 | 34,255 | 698 | 498 |

Derivatives and capital adequacy requirements

In determining the capital adequacy requirement, both existing and future credit risk is taken into account. To this end the current potential loss, i.e. the positive replacement value based on market conditions at balance sheet date, is increased by a percentage of the relevant notional amounts, depending on the nature and remaining term of the contract. This method takes into account the possible adverse development of the positive replacement value during the remaining term of the contract. The analysis below shows the resulting credit equivalent, both unweighted and weighted for the counterparty risk (mainly banks). The figures allow for the downward impact of netting agreements and other collateral on risk exposure and capital adequacy.

Credit equivalent (in billions of euros)

| | 2001 | 2000 |
|-------------------------------|-------------|-------------|
| Interest rate contracts | 38.7 | 25.4 |
| Currency contracts | 31.1 | 30.6 |
| Other contracts | 4.5 | 4.3 |
| | 74.3 | 60.3 |
| Effect of contractual netting | 41.1 | 27.1 |
| Unweighted credit equivalent | 33.2 | 33.2 |
| Weighted credit equivalent | 10.0 | 9.7 |

25 Memorandum items

Apart from the memorandum items stated, non-quantified guarantees have been given for the bank's securities custody operations, for interbank bodies and institutions and for participating interests. Collective guarantee schemes are applicable to group companies in various countries. Furthermore, statements of liability have been issued for a number of group companies.

Legal proceedings have been initiated against ABN AMRO in a number of jurisdictions, but on the basis of information currently available, and having taken counsel with legal advisers, the Managing Board is of the opinion that the outcome of these proceedings is unlikely to have a material adverse effect on the consolidated financial position and the consolidated operations of ABN AMRO.

For 2002, investment in property and equipment is estimated at EUR 1.4 billion, of which ABN AMRO is already committed to an amount of EUR 210 million.

Though ABN AMRO has sold a part of its loan portfolio, partly through credit-enhanced or non-credit enhanced securitisation, it still holds legal title to some of these loans. In most cases these loans are also serviced by ABN AMRO. Besides, the bank services loans granted by other institutions. The table below states the outstandings at 31 December 2001.

| | |
|------------------------------------|---------|
| Legal title to loans sold | 616 |
| Loans serviced for third parties | 147,992 |
| Loans sold with credit enhancement | 2,993 |

Future rental commitments at 31 December 2001 for long-term lease contracts were as follows:

| | |
|------------------|-----|
| 2002 | 300 |
| 2003 | 282 |
| 2004 | 258 |
| 2005 | 234 |
| 2006 | 216 |
| Years after 2006 | 928 |

26 Net interest revenue

This item comprises interest revenue from loans, investments, other lending, interest expense on borrowings by ABN AMRO and client accounts, as well as the results from interest rate and foreign exchange contracts entered into for hedging purposes. Also included is other revenue from loans. Interest revenue from interest-earning securities amounted to EUR 6,624 million (2000: EUR 6,621 million). Interest expense on subordinated debt totalled EUR 961 million (2000: EUR 816 million).

27 Revenue from securities and participating interests

This item includes the share in net profit or loss of participating interests on which ABN AMRO exercises a significant influence. Also included are dividends received from shares and other participating interests, as well as the results from sales of shares from the investment portfolio and investments in participating interests insofar as these are not treated as value adjustments to financial fixed assets.

| | 2001 | 2000 | 1999 |
|--|------------|------------|------------|
| Revenue from shares and equity participations | 75 | 130 | 119 |
| Revenue from participating interests | 380 | 321 | 238 |
| Total revenue from securities and participating interests | 455 | 451 | 357 |

28 Net commissions

This item includes revenue from securities brokerage, domestic and international payments, asset management, insurance, guarantees, leasing and other services. Amounts paid to third parties are shown as commission expense.

| | 2001 | 2000 | 1999 |
|----------------------------|--------------|--------------|--------------|
| Securities brokerage | 1,674 | 2,405 | 1,710 |
| Payment services | 1,394 | 1,385 | 1,176 |
| Asset management and trust | 885 | 712 | 960 |
| Insurance | 202 | 212 | 176 |
| Guarantees | 158 | 163 | 139 |
| Leasing | 179 | 158 | 123 |
| Other | 722 | 845 | 571 |
| Total commissions | 5,214 | 5,880 | 4,455 |

29 Results from financial transactions

This item includes results from securities trading, foreign exchange dealing and derivatives transactions. The category other includes trading in LDC debt securities, currency translation differences on investments – other than those included in tangible fixed assets – in branches, subsidiary and participating interests in hyperinflationary countries and result from private equity positions.

| | 2001 | 2000 | 1999 |
|---|--------------|--------------|--------------|
| Securities trading | 787 | 426 | 417 |
| Foreign exchange dealing | 486 | 570 | 499 |
| Derivatives transactions | 502 | 508 | 371 |
| Other | (223) | 65 | 87 |
| Total result from financial transactions | 1,552 | 1,569 | 1,374 |

30 Other revenue

This includes revenue from property development, other revenue from leasing activities and results from the insurance companies forming part of the group. The insurance companies achieved the following results:

| | Life | Non-Life |
|--|------------|------------|
| Net premium income | 1,596 | 518 |
| Investment income | 166 | 73 |
| Insurance expenses | (1,411) | (467) |
| Total result of insurance companies | 119 | 124 |

31 Staff costs

| | 2001 | 2000 | 1999 |
|--|----------------|----------------|----------------|
| Salaries (including bonuses, etc.) | 5,981 | 5,754 | 4,516 |
| Pension costs | 208 | 187 | 140 |
| Social insurance and other staff costs | 1,464 | 1,519 | 1,112 |
| Total staff costs | 7,653 | 7,460 | 5,768 |
| <i>Average number of employees (headcount):</i> | | | |
| Netherlands | 36,630 | 38,476 | 36,976 |
| Foreign countries | 75,576 | 74,916 | 71,713 |
| Total average number of employees (headcount) | 112,206 | 113,392 | 108,689 |

32 Other administrative expenses

This item includes office overhead, automation costs, advertising costs and other general expenses.

ABNAMRO also leases premises and space in other buildings for its principal activities. The leases generally are renewable and provide for payment of rent and certain other occupancy expenses. Total rent expense for all contracts amounted to EUR 373 million in 2001, EUR 341 million in 2000 and EUR 262 million in 1999.

33 Depreciation

This item is made up of depreciation of buildings and equipment.

34 Provision for loan losses

This item includes provisions for uncollectable outstandings.

35 Addition to the fund for general banking risks

This item includes the addition to or release from the fund, management's intention being to maintain the fund at a level equal to approximately 0.5% of risk-weighted total assets.

36 Value adjustments to financial fixed assets

Financial fixed assets include the bond and equity investment portfolios and participating interests on which the bank does not exercise an influence. Diminutions in value of the bond investment portfolio may relate to a permanent deterioration of the debtor's quality. These diminutions in value and the diminutions in value below the purchase price of shares and participating interests on which no influence is exercised, together with amounts released in respect of earlier diminutions in value, are included in this item. Results from dispositions below purchase price are likewise treated as diminutions in value.

37 Taxes

The overall effective tax rate decreased from 28.0% in 2000 (26.7% including restructuring charge) to 27.6% in 2001 (21.4% including sale of EAB and restructuring charge).

| | 2001 | 2000 | 1999 |
|---|--------------|--------------|--------------|
| Dutch tax rate | 35.0% | 35.0% | 35.0% |
| Effect of tax rate in foreign countries | (5.1%) | (2.5%) | (1.3%) |
| Effect of tax-exempt revenue in the Netherlands | (2.0%) | (4.1%) | (3.1%) |
| Other | (0.3%) | (0.4%) | 0.5% |
| Effective tax rate on operating profit | 27.6% | 28.0% | 31.1% |

Taxes amounted to EUR 946 million, including EUR 105 million (2000: EUR 187 million) in deferred tax liabilities. The total amount of taxation credited directly to shareholders' equity during the year amounted to EUR 406 million.

The provision for deferred tax liabilities relates to tax liabilities that will arise in the future owing to the difference between the book value of specific assets and liabilities and their valuation for tax purposes. The following analysis shows deferred tax liabilities and assets.

| | 2001 | 2000 |
|---|--------------|--------------|
| Deferred tax liabilities | | |
| Buildings | 241 | 256 |
| Pensions and other post-retirement and post-employment arrangements | 324 | 228 |
| Derivatives | 118 | 165 |
| Leases and similar financial contracts | 470 | 490 |
| Servicing rights | 497 | 383 |
| Other | 803 | 570 |
| Total | 2,453 | 2,092 |
| Deferred tax assets | | |
| Allowances for loan losses | 215 | 274 |
| Investment portfolios | 88 | 31 |
| Carry-forward losses of foreign operations | 708 | 639 |
| Restructuring charge | 42 | 134 |
| Tax credits | 682 | 301 |
| Other | 1,224 | 658 |
| Deferred tax assets before valuation allowances | 2,959 | 2,037 |
| Less: valuation allowances | 311 | 276 |
| Deferred tax assets after valuation allowances | 2,648 | 1,761 |

Deferred tax assets and liabilities are discounted to their net present value on the basis of net interest where the original term of the temporary difference is longer than five years. The nominal value of deferred tax assets amounts to EUR 2,770 million and of deferred tax liabilities to EUR 2,558 million. For discounted deferred tax assets the net interest rate applied as a discount factor is 7.8% and the average remaining life is nine years. For discounted deferred tax liabilities, the net interest rate applied as a discount factor is 4% and the average remaining life is 20 years.

Deferred tax assets are recognised, to the extent possible, net of a valuation allowance. The main component of the valuation allowance relates to tax carry-forward losses. The amount of deferred tax assets, likely to be recovered within one year, is EUR 381 million.

At 31 December 2001 carry-forward losses of foreign operations expire as follows:

| | |
|------------------|--------------|
| 2002 | 45 |
| 2003 | 205 |
| 2004 | 321 |
| 2005 | 120 |
| 2006 | 125 |
| Years after 2006 | 1,419 |
| Total | 2,235 |

ABNAMRO considers a significant portion of its approximately EUR 4.5 billion in distributable invested capital to be permanently invested. If such capital were distributed no foreign income taxes would be required to be paid. The estimated impact of foreign withholding tax is EUR 135 million.

38 Extraordinary result

The sale of EAB in 2001 resulted in an extraordinary net profit of EUR 962 million.

In 2000 the Managing Board authorised a restructuring reserve of EUR 900 million in order to realise the new strategy and reorganisation into the Strategic Business Units. At the end of 2001 the composition and number of employees in the Netherlands that could opt for the voluntary departure scheme or early retirement scheme were finalised, resulting in an additional charge of EUR 147 million. Because of the non-recurring character of these schemes the costs are treated as extraordinary expenses.

Main elements of the charge relate to:

| | 2001 | 2000 |
|---------------------|------------|------------|
| Staff reduction | 147 | 530 |
| Write-off of assets | | 120 |
| Other costs | | 250 |
| Total | 147 | 900 |

39 Minority interests

This item comprises the share of third parties in results from subsidiaries and other group companies, as well as dividends on preferred stock issued by subsidiaries in the United States.

| | 2001 | 2000 | 1999 |
|---------------------------------|------------|------------|------------|
| Dividends on preference shares | 217 | 245 | 209 |
| Other minority interests | 35 | 59 | 151 |
| Total minority interests | 252 | 304 | 360 |

40 Earnings per ordinary share

Basic earnings per share is computed by dividing income available to ordinary shareholders by the weighted average number of ordinary shares outstanding. Diluted earnings per ordinary share include the determinants of basic earnings per ordinary share and, in addition, the effect arising should all outstanding rights to ordinary shares be exercised. The computation of basic and diluted earnings per share are presented in the following table.

| | 2001 | 2000 |
|---|----------------|----------------|
| Net profit | 3,230 | 2,498 |
| Dividends on preference shares | 46 | 79 |
| Net profit attributable to ordinary shareholders | 3,184 | 2,419 |
| Dividends on convertible preference shares | 1 | 1 |
| Fully diluted net profit | 3,185 | 2,420 |
| Weighted average number of ordinary shares outstanding (in thousands) | 1,515.2 | 1,492.6 |
| Dilutive effect of staff options (in thousands) | 1.9 | 6.6 |
| Convertible preference shares (in thousands) | 2.7 | 3.2 |
| Performance share plan (in thousands) | 2.9 | |
| Diluted number of ordinary shares (in thousands) | 1,522.7 | 1,492.4 |
| Basic earnings per share (in euros) | 2.10 | 1.63 |
| Fully diluted earnings per share (in euros) | 2.09 | 1.62 |
| Basic earnings per share excluding extraordinary items (in euros) | 1.53 | 2.04 |
| Fully diluted earnings per share excluding extraordinary items (in euros) | 1.52 | 2.02 |

11. INTERIM FINANCIAL STATEMENTS

Holding publishes Interim Financial Statements in respect of each three-month period following the date of the last published Annual Financial Statements.

Consolidated income statement 2002 *(in millions of euros)*

| | 2002 | | | year | | |
|---|-------|-------|----------|--------|--------|----------|
| | Q4 | Q3 | % change | 2002 | 2001 | % change |
| Net interest revenue | 2,264 | 2,421 | (6.5) | 9,845 | 10,090 | (2.4) |
| Revenue from securities and participating interests | 105 | 58 | 81.0 | 369 | 455 | (18.9) |
| Payment services | 309 | 322 | (4.0) | 1,348 | 1,394 | (3.3) |
| Insurance | 18 | 42 | (57.1) | 165 | 202 | (18.3) |
| Securities | 249 | 347 | (28.2) | 1,269 | 1,674 | (24.2) |
| Asset management and trust funds | 212 | 190 | 11.6 | 862 | 885 | (2.6) |
| Guarantees | 48 | 45 | 6.7 | 170 | 158 | 7.6 |
| Leasing | 45 | 46 | (2.2) | 185 | 179 | 3.4 |
| Other | 233 | 107 | | 640 | 722 | (11.4) |
| Net commissions | 1,114 | 1,099 | 1.4 | 4,639 | 5,214 | (11.0) |
| Securities | 140 | 70 | 100.0 | 492 | 787 | (37.5) |
| Foreign exchange dealing | 261 | 138 | 89.1 | 679 | 486 | 39.7 |
| Derivatives | 22 | 131 | (83.2) | 388 | 502 | (22.7) |
| Trading LDC-portfolio | 0 | (4) | | 0 | 21 | |
| Other | 2 | 12 | (83.3) | (82) | (244) | (66.4) |
| Results from financial transactions | 425 | 347 | 22.5 | 1,477 | 1,552 | (4.8) |
| Other revenue | 581 | 398 | 46.0 | 1,950 | 1,523 | 28.0 |
| Total revenue | 4,489 | 4,323 | 3.8 | 18,280 | 18,834 | (2.9) |
| Staff costs | 1,712 | 1,688 | 1.4 | 7,250 | 7,653 | (5.3) |
| Other administrative expenses | 1,138 | 1,071 | 6.3 | 4,567 | 5,161 | (11.5) |
| Depreciation | 243 | 245 | (0.8) | 1,006 | 957 | 5.1 |
| Operating expenses | 3,093 | 3,004 | 3.0 | 12,823 | 13,771 | (6.9) |
| Operating result | 1,396 | 1,319 | 5.8 | 5,457 | 5,063 | 7.8 |
| Provisioning for loan losses / FAR | 384 | 338 | 13.6 | 1,695 | 1,426 | 18.9 |
| Value adjustments to financial fixed assets | 3 | 23 | (87.0) | 49 | 24 | 104.2 |
| Operating profit before taxes | 1,009 | 958 | 5.3 | 3,713 | 3,613 | 2.8 |
| Taxes | 280 | 314 | (10.8) | 1,093 | 998 | 9.5 |
| Operating profit after taxes | 729 | 644 | 13.2 | 2,620 | 2,615 | 0.2 |
| Extraordinary revenues | | | | 0 | 962 | |
| Extraordinary expenses | | | | 325 | 147 | 121.1 |
| Taxes extraordinary expenses | | | | (120) | (52) | |
| Extraordinary result after taxes | | | | (205) | 867 | |
| Group profit after taxes | 729 | 644 | 13.2 | 2,415 | 3,482 | (30.6) |
| Minority interests | 44 | 53 | (17.0) | 208 | 252 | (17.5) |
| Net profit | 685 | 591 | 15.9 | 2,207 | 3,230 | (31.7) |
| Net profit, excl. extraordinary result | 685 | 591 | 15.9 | 2,412 | 2,363 | 2.1 |
| Preference share dividend | 11 | 12 | (8.3) | 46 | 46 | |
| Net profit, available to ordinary shareholders | 674 | 579 | 16.4 | 2,161 | 3,184 | (32.1) |
| Earnings per ordinary share of EUR 0.56 (in euros)* | 0.43 | 0.37 | 16.2 | 1.52 | 1.53 | (0.7) |
| Average exchange EUR/USD-rate | 1.01 | 0.98 | 3.1 | 0.95 | 0.89 | 6.7 |

* Excluding extraordinary result and based on the average number of ordinary shares outstanding.

Consolidated balance sheet as at 31 December 2002 after profit appropriation

(in millions of euros)

| | 31 Dec 2002 | 31 Dec 2001 | % change |
|---|----------------|----------------|---------------|
| Assets | | | |
| Cash | 9,455 | 17,932 | (47.3) |
| Short-dated government paper | 3,901 | 12,296 | (68.3) |
| Banks | 41,924 | 49,619 | (15.5) |
| <i>Loans to public sector</i> | <i>7,365</i> | <i>14,100</i> | <i>(47.8)</i> |
| <i>Loans to private sector</i> | <i>247,229</i> | <i>260,175</i> | <i>(5.0)</i> |
| <i>Professional securities transactions</i> | <i>56,309</i> | <i>71,055</i> | <i>(20.8)</i> |
| Loans | 310,903 | 345,330 | (10.0) |
| Interest-earning securities | 141,494 | 123,365 | 14.7 |
| Shares | 15,736 | 16,794 | (6.3) |
| Participating interests | 2,166 | 2,420 | (10.5) |
| Property and equipment | 6,982 | 7,331 | (4.8) |
| Other assets | 15,148 | 11,088 | 36.6 |
| Prepayments and accrued income | 8,309 | 11,188 | (25.7) |
| | <u>556,018</u> | <u>597,363</u> | (6.9) |
| Liabilities | | | |
| Banks | 95,884 | 107,843 | (11.1) |
| <i>Saving accounts</i> | <i>74,249</i> | <i>84,345</i> | <i>(12.0)</i> |
| <i>Deposits and other customer accounts</i> | <i>165,034</i> | <i>173,441</i> | <i>(4.8)</i> |
| <i>Professional securities transactions</i> | <i>50,178</i> | <i>54,578</i> | <i>(8.1)</i> |
| Total client accounts | 289,461 | 312,364 | (7.3) |
| Debt securities | 71,209 | 72,495 | (1.8) |
| Other liabilities | 45,982 | 45,633 | 0.8 |
| Accruals and deferred income | 10,120 | 12,349 | (18.1) |
| Provisions | 13,238 | 12,672 | 4.5 |
| | <u>525,894</u> | <u>563,356</u> | (6.6) |
| Fund for general banking risks | 1,255 | 1,381 | (9.1) |
| Subordinated liabilities | 14,278 | 16,283 | (12.3) |
| <i>Shareholders' equity</i> | <i>10,781</i> | <i>11,787</i> | <i>(8.5)</i> |
| <i>Minority interests</i> | <i>3,810</i> | <i>4,556</i> | <i>(16.4)</i> |
| Group equity | 14,591 | 16,343 | (10.7) |
| | <u>30,124</u> | <u>34,007</u> | (11.4) |
| | <u>556,018</u> | <u>597,363</u> | (6.9) |
| Contingent liabilities | 44,176 | 47,784 | (7.6) |
| Committed facilities | 136,122 | 145,570 | (6.5) |
| Exchange EUR/USD-rate | 1.05 | 0.88 | 19.3 |

GENERAL TAXATION INFORMATION

Purchasers and/or sellers of Instruments may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of transfer in addition to the issue price or purchase price (if different) of the Instruments.

Transactions involving Instruments (including purchases, transfers or redemption), the accrual or receipt of any interest payable on the Instruments and the death of a holder of any Instrument may have tax consequences for potential purchasers which may depend, amongst other things, upon the tax status of the potential purchaser and may relate to stamp duty, stamp duty reserve tax, income tax, corporation tax, capital gains tax and inheritance tax.

Potential purchasers of Instruments are advised to consult their own tax advisors as to the tax consequences of transactions involving the Instruments.

SALE RESTRICTIONS

United States

The Instruments 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 account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Instruments in bearer form 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 United States persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meaning given to them by the United States Internal Revenue Code of 1986 and regulations thereunder.

Except as agreed with the Issuer, Instruments have not been offered or sold, and will not be offered or sold (a) as part of their distribution at any time and (b) otherwise until 40 days after the later of the date of issue of the relevant Instruments and the completion of the distribution of such Instruments as certified to the Principal Paying Agent or the Issuer by the relevant Dealer, within the United States or to, or for the account or benefit of, U.S. persons, and that each Dealer to which Instruments are sold during the distribution compliance period (other than pursuant to Rule 144A) will have been sent a confirmation or other notice setting forth the restrictions on offers and sales of such Instruments 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 of any Series of Instruments, an offer or sale of Instruments of such Series within the United States by a Dealer (whether or not participating in the offering of such Instruments) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the Securities Act.

Notwithstanding the foregoing, Dealers nominated by the Issuer may arrange for the offer and sale of Registered Instruments in the United States pursuant to Rule 144A under the Securities Act. Each purchaser of such Instruments is hereby notified that the offer and sale of such Instruments may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. In addition, Definitive Registered Notes may be offered and sold in the United States to Institutional Accredited Investors pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act. See "Notice to Purchasers and Holders of Restricted Notes and Transfer Restrictions" above.

In addition, certain Series of Instruments in respect of which any payment is determined by reference to an index or formula, or to changes in prices of securities or commodities, or certain other Instruments will be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree, as indicated in the applicable Pricing Supplement. Such Instruments will only be offered, sold and delivered in compliance with such additional U.S. selling restrictions.

The relevant Dealer may engage in over-allotment, stabilising transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Exchange Act. Over-allotment involves sales in excess of the aggregate nominal amount of a Tranche of Instruments, which creates a short position for the relevant Dealer. Stabilising transactions permit bids to purchase Instruments so long as the stabilising bids do not exceed a specified maximum. Covering transactions involve purchases of Instruments in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the relevant Dealer to reclaim a selling concession when an Instrument originally sold by such Dealer is purchased in a covering transaction to cover a short position. Such stabilising transactions, covering transactions and penalty bids may cause the price of Instruments to be higher than it would otherwise be in the absence of such transactions.

United Kingdom

Instruments which have a maturity of one year or more may not be offered or sold to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended).

Each Dealer represents, warrants and agrees that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 any Instruments in circumstances in which section 21 of the FSMA does not apply to the Issuer.

All applicable provisions of the FSMA must be complied with in respect to anything done in relation to any Instruments in, from or otherwise involving the United Kingdom.

The Netherlands

Any Instruments issued under the Programme shall, in order to comply with the Netherlands Securities Market Supervision Act 1995 ("**Wet toezicht effectenverkeer 1995**", hereinafter the "**Netherlands Securities Act**"):

- (i) only be issued and offered in the event that such Instruments have been or will most likely be admitted to the official listing on (a) a recognised stock exchange in The Netherlands or (b) a stock exchange in another European Economic Area ("**EEA**") member state and, in the latter case, this Prospectus has been approved by, and the applicable Pricing Supplement in respect of such Instruments has been submitted to or approved by, the competent authority as referred to in Article 20 or Article 21 of EC Directive 89/298/EEC and the Securities Board of The Netherlands ("**Stichting Toezicht Effectenverkeer**", hereinafter the "**STE**") has confirmed the availability of mutual recognition in respect of such documents; provided that the first issue of such Instruments takes place no later than six months from the date of the approval by the competent authority; or
- (ii) only be issued and offered in the event that this Prospectus has been approved by, and the applicable Pricing Supplement in respect of such Instruments has been submitted to or approved by, the competent authority of another EEA member state as referred to in Article 20 or 21 of EC Directive 89/298/EEC in connection with a public offering of such Instruments and the STE has confirmed the availability of mutual recognition in respect of these documents; provided that the first issue of such Instruments takes place no later than six months from the date of the approval of the competent authority; or
- (iii) only be issued and offered (i) if they are part of a Series of Notes comprising only Notes with a denomination of at least NLG 100,000 or the equivalent in any other currency and (ii) if they are part of a Series of Certificates comprising only Certificates with an initial issue price of at least NLG100,000 or the equivalent in any other currency; or
- (iv) not be offered, transferred or sold, whether directly or indirectly, to any individual or legal entity, other than to individuals or legal entities, situated in or outside The Netherlands, who or which trade or invest in securities in the conduct of their profession or trade (which includes banks, investment banks, securities firms, insurance companies, pension funds, other institutional investors and treasury departments and finance companies of large enterprises), in which case:

- (a) it must be made clear upon making the offer and from any documents or advertisements in which a forthcoming offering of Instruments is publicly announced that the offer is exclusively made to the said individuals or legal entities; and
- (b) a copy of any offering material (including the applicable Pricing Supplement) must be submitted to the STE before the issue date; or
- (v) (for syndicated Tranches of Instruments) only be issued and offered if the following criteria are met:
 - (a) the Instruments are subscribed for and placed by a syndicate of which at least two members are domiciled in different states which are part of the EEA;
 - (b) 60 per cent. or more of the issue is placed by syndicate members which are situated in one or more states other than The Netherlands; and
 - (c) investors may only acquire the Instruments being offered through the intermediary of a bank or other financial institution;

Provided that the offer or sale of such Instruments has not been publicly promoted and shall not be publicly promoted by the relevant Dealer conducting a generalised advertising or cold-calling campaign within or outside The Netherlands; or

- (vi) only be issued and offered if any other exemption from the prohibition contained in article 3 paragraph 1 of the Netherlands Securities Act applies and the requirements of such exemption are fully complied with; or
- (vii) only be issued and offered if the STE has, upon request, granted an (individual) dispensation from the above prohibition and the conditions attached to such dispensation are fully complied with.

Provided that in the case of (i) and (ii) above:

- (a) the Issuer and the Dealer or Dealers procure that any advertisement or document in which a forthcoming offering of Instruments is publicly announced will be submitted to the STE prior to publication thereof and will mention the fact that this Prospectus will be published and will be made available for inspection at the registered office of the Issuer and at the specified office of the Principal Paying Agent; and
- (b) prior to the submission of this Prospectus (with the approval of the competent authorities) and the applicable Pricing Supplement to the STE:
 - (i) unless any Series of Instruments comprises only Instruments with, in the case of Notes, a denomination of no less than NLG 100,000 (or the equivalent in another currency) and, in the case of Certificates an initial issue price of no less than NLG 100,000 (or the equivalent in another currency), no Instruments have been offered, transferred or sold and no Instruments will be directly or indirectly, offered, transferred or sold with, in the case of Notes, a denomination less than NLG 100,000 (or the equivalent in another currency) and, in the case of Certificates an initial issue price of no less than NLG 100,000 (or the equivalent in another currency), except to individuals or legal entities as referred to in (iv) above; and
 - (ii) either no offering or promotional materials in respect of the Instruments have been distributed or will be distributed or the conditions under (iv)(a) and (b) above have been and will be complied with;

and each invitation telex and Pricing Supplement in respect of such Instruments will set forth the restrictions under (i) and (ii) above.

In addition to the above, Zero Coupon Instruments in definitive form may only be transferred and accepted through the mediation of either the Issuer or a permit holder (*toegelaten instelling*) of the Euronext Amsterdam N.V. in accordance with the Dutch Savings Certificates Act (*Wet inzake Spaarbewijzen*) of 21 May 1985. Such restrictions do not apply (a) to a transfer and acceptance of Zero Coupon Instruments in definitive form between individuals not acting in the conduct of a business or profession, (b) to the transfer and acceptance of Zero Coupon Instruments in definitive form within The Netherlands if all Zero Coupon Instruments (either in definitive form or as rights representing an interest in the Zero Coupon Instruments in global form) are issued outside The Netherlands and are not distributed within The Netherlands in the course of initial distribution or immediately thereafter or (c) to the initial issue of such Instruments to the first holders thereof. If the Savings Certificates Act is applicable, certain identification requirements in relation to the issue, transfer of or payment on the Zero Coupon Instruments will have to be complied with. For the purposes of this paragraph "**Zero Coupon Instruments**" are Instruments that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due prior to maturity or on which no interest is due whatsoever.

Hong Kong

The Instruments have not been offered or sold and will not be offered or sold in Hong Kong, by means of any documents, other than (i) to persons whose ordinary business it is to buy or sell shares or debentures (whether as principal or agent) or (ii) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32) of Hong Kong. No person, unless it is a person permitted to do so under the securities laws of Hong Kong, has issued, or had in its possession, and will not issue or have in its possession for the purposes of issue, any advertisement, invitation or document relating to any Instruments other than with respect to Instruments intended to be disposed of to persons outside Hong Kong or to be disposed of in Hong Kong only to persons whose business involves the acquisition, disposal, or holding of securities, whether as principal or agent.

General

Neither the Issuer nor any Dealer represents that Instruments may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each issue, additional restrictions may be set out in the applicable Pricing Supplement.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Instruments have been duly authorised by the Issuer. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of The Netherlands have been given for the issue of Instruments by the Issuer and for the Issuer to undertake and perform its obligations under the Programme Agreement, the Agency Agreement and any Instruments.

Listing

Application has been made for Instruments issued under the Programme to be listed on the Luxembourg Stock Exchange. The Luxembourg Stock Exchange has allocated the No. 12460 to the Programme for listing purposes.

A legal notice relating to the Programme as well as the Articles of Association of the Issuer will be lodged with the Chief Registrar of the District Court of Luxembourg (*Greffier en Chef du Tribunal d'Arrondissement de et Luxembourg*) where such documents may be examined and copies obtained.

Documents Available

So long as Instruments are capable of being issued under the Programme, copies of the following documents will, when published, be available free of charge from the registered office of the Issuer, from the specified office of the Principal Paying Agent and from the specified office of the Luxembourg Listing Agent in Luxembourg:

- (i) an English translation of the most recent Articles of Association of the Issuer;
- (ii) the annual report of ABN AMRO Holding N.V. for the three most recent financial years and the most recently available published semi-annual interim financial statements of ABN AMRO Holding N.V. (in English) – the Issuer's consolidated financial statements form part of the annual report of ABN AMRO Holding N.V. and the Issuer does not publish separate accounts;
- (iii) the Agency Agreement (which contains the forms of the Temporary and Permanent Global Notes and Certificates, the Definitive Notes and Certificates, the Receipts, the Coupons and the Talons, the Regulation S Global Notes and Certificates, the Restricted Global Notes and Certificates, the Definitive Registered Notes and Certificates and the Deed of Covenant);
- (iv) a copy of this Prospectus including all the documents incorporated by reference in it; and
- (v) any future prospectuses, supplementary listing particulars, information memoranda and supplements (including the Pricing Supplement for each issue of listed Instruments) to this Prospectus and any other documents incorporated herein or therein by reference.

Clearing and Settlement Systems

The Instruments have been accepted for clearance through Euroclear and Clearstream, Luxembourg. In addition, the Issuer will make an application for any Registered Instruments to be accepted for trading in book-entry form by DTC. The appropriate common code and ISIN for each issue of Instruments allocated by Euroclear and Clearstream, Luxembourg together with the CUSIP number for each Tranche of Registered Instruments, and any other relevant security code, will be specified in the applicable Pricing Supplement. If the Instruments are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

Material Change

Save as disclosed in this Prospectus, there has been no material adverse change in the consolidated condition (financial or otherwise) or prospects of the Issuer (taken as a whole) since 31st December 2002.

Litigation

In several jurisdictions legal proceedings have been initiated against the Issuer or its group companies whose financial statements have been included in the consolidated annual accounts of 2001 of ABN AMRO Holding N.V. On the basis of information presently available, the Managing Board of the Issuer is of the opinion that the outcome of these proceedings is unlikely to have a material effect on the financial position of the Issuer.

Auditors

Ernst & Young Accountants act as the auditors of the financial statements of the Issuer and ABN AMRO Holding N.V. and have done so for at least three years.

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