



**ABN AMRO Bank N.V.**  
(the "Issuer")

**EUR 1,000,000,000 Perpetual Capital Securities ("Capital Securities")**  
**Issue Price: 100 per cent.**

Unless expressly indicated otherwise, the terms and expressions used herein have the same meaning as given to them in the terms and conditions (the "Terms and Conditions") of the Euro 1,000,000,000 Perpetual Capital Securities (the "Capital Securities").

The Capital Securities are perpetual securities and have no fixed redemption date. However, the Capital Securities may (subject to the approval of the Dutch Central Bank) be redeemed in whole but not in part at the option of the Issuer, at their principal amount of Euro 1,000 per Capital Security with a denomination of Euro 1,000, Euro 10,000 per Capital Security with a denomination of Euro 10,000 and Euro 100,000 per Capital Security with a denomination of Euro 100,000, together with any Outstanding Payments on the Coupon Payment Date falling on 10 March 2016 or any Coupon Payment Date thereafter. Prior redemption in case of tax events or for regulatory purposes may apply, subject to Condition 7. Upon the occurrence of a Regulatory Event, the terms of the Capital Securities will be automatically altered, as described in Condition 7 (h).

The Capital Securities will bear fixed Interest from (and including) the Issue Date to (but excluding) 10 March 2016 at a rate of 4.31 per cent. per annum payable annually in arrear on 10 March in each year starting 10 March 2007, subject to Condition 4 and 5. Thereafter the Capital Securities will bear floating interest at a rate of 1.66 per cent. above Three Month EURIBOR (as defined in Condition 5) payable quarterly in arrear on 10 June, 10 September, 10 December and 10 March in each year starting 10 June 2016 subject to Condition 4 and 5.

Payments (such term does not include principal) may be deferred, as more fully described in Condition 4, but any Deferred Coupon Payment will immediately become due if the Issuer makes payments on or purchases or redeems its Junior Securities or Parity Securities or if ABN AMRO Holding N.V. (the "Holding") makes payments on any of its Ordinary Shares.

Any Deferred Coupon Payment (with any interest accrued on such Deferred Coupon Payment, as applicable) will be satisfied using the Alternative Coupon Satisfaction Mechanism. This mechanism means that the relevant payment is satisfied from the proceeds of the issue by the Holding of such amount of Holding Ordinary Shares for cash as required to provide enough cash for the Issuer to make full payments on the Capital Securities in respect of the relevant Payment. When the Issuer elects to satisfy its obligation to make any Payment (other than a payment of principal) to Holders, the Holding will issue Holding Ordinary Shares equal to the amount of the Deferred Coupon Payment as directed by the Calculation Agent which will provide the cash amount due in respect of the Deferred Coupon Payment. Holding will calculate the number of Holding Ordinary Shares that must be issued in consultation with the Issuer to raise the full amount of money due on the Capital Securities on the Relevant Date to the Holders. Investors will always receive payments made in respect of the Capital Securities in cash.

The Capital Securities constitute direct, unsecured and subordinated securities of the Issuer as described in Condition 2.

This Prospectus has been approved by the Netherlands Authority for the Financial Markets ("Stichting Autoriteit Financiële Markten") (the "AFM"), which is the Netherlands competent authority for the purpose of Directive 2003/71/EC (the "Prospectus Directive") and relevant implementing measures in the Netherlands, as a Prospectus issued in compliance with the Prospectus Directive and the Prospectus Regulation and relevant implementing measures in the Netherlands for the purpose of giving information with regard to the issue of the Capital Securities during the period of twelve months after the date hereof. Application has been made for the listing of the Capital Securities on Euronext by Euronext Amsterdam N.V. ("Euronext Amsterdam"). It is anticipated that the Capital Securities will be quoted as a percentage of their respective principal amounts.

The Capital Securities are expected to be assigned, on issue, a rating of 'A2' by Moody's Investors Service, Inc. ("Moody's"). As defined by Moody's, obligations rated "A" are considered upper-medium grade and are subject to low credit risk. The Capital Securities are expected to be assigned, on issue, a rating of 'A' by Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc. ("Standard & Poor's"). As defined by Standard & Poor's, an obligation rated "A" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. However, the obligor's capacity to meet its commitment of the obligation is still strong. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

The Capital Securities shall have denominations of EUR 1,000, EUR 10,000 and EUR 100,000. The Capital Securities will initially be represented by a temporary global security (the "Temporary Global Security") in bearer form, without interest coupons, which is expected to be deposited with a common depository for Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream") on or about 10 March 2006. The Temporary Global Security will be exchangeable for interests in a permanent global security (the "Permanent Global Security") in bearer form, without interest coupons, not earlier than 40 days after 10 March 2006, upon certification as to non-U.S. beneficial ownership. The Permanent Global Security will not be exchangeable for definitive Capital Securities in bearer form.

The AFM may be further requested to provide other competent authorities in the European Economic Area (EEA) with a certificate of approval so that the Capital Securities may be offered in the relevant other EEA jurisdictions.

*Sole Bookrunner*

**ABN AMRO**

*Co- Managers*

Banca Akros S.p.A. - Gruppo Banca Popolare  
di Milano  
Banca IMI  
Banco Bilbao Vizcaya Argentaria, S.A.  
Banco Santander

CALYON Corporate and Investment Bank  
IXIS Corporate & Investment Bank  
Lloyds TSB  
UBM - Unicredit Banca Mobiliare  
WestLB AG

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## SUMMARY

This summary must be read as an introduction to this Prospectus and any decision to invest in the Capital Securities should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. No civil liability attaches to the Issuer in respect of this Summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a Member State of the European Economic Area (an “**EEA State**”), the plaintiff may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

The following refers to certain provisions of the Terms and Conditions of the Capital Securities and the Trust Deed and insofar as it refers to the Terms and Conditions of the Capital Securities is qualified by the more detailed information contained elsewhere in this Prospectus. Defined terms used herein have the meaning given to them in “Terms and Conditions of the Capital Securities”.

*Words and expressions defined elsewhere in this Prospectus shall have the same meanings in this summary.*

**Issuer** ABN AMRO Bank N.V.

**Holding** ABN AMRO Holding N.V. (ABN AMRO Holding N.V. issued a 403-Statement for the benefit of the Issuer pursuant to Article 2:403 of the Dutch Civil Code).

The Issuer is a subsidiary of ABN AMRO Holding N.V. (“**Holding**”). The ABN AMRO group (“**ABN AMRO**”), which consists of Holding and its subsidiaries, is a prominent international banking group offering a wide range of banking products and financial services on a global basis through a network of 3,870 offices and branches in 58 countries and territories as of year-end 2004. ABN AMRO is one of the largest banking groups in the world, with total consolidated assets of €881 billion at 31 December 2005. ABN AMRO is the largest banking group in the Netherlands and has a substantial presence in Brazil and the Midwestern United States, its three “home markets”. It is one of the largest foreign banking groups in the United States, based on total assets held as of 31 December 2005. Holding is listed on Euronext Amsterdam and the New York Stock Exchange (among others).

ABN AMRO implements its strategy through a number of global (Strategic) Business Units, each of which is responsible for managing a distinct client or product segment. Its client-focused (Strategic) Business Units are: Customer & Commercial Clients, Wholesale Clients, Private Clients, Asset Management and Transaction Banking Group. In addition, it has the following internal Business Units: Group Shared Services and Group Functions. Its (Strategic) Business Units are present in all countries and territories in which ABN AMRO operates, with the largest presence in its home markets.

**Risk Factors** There are certain factors that may affect the Issuer’s ability to fulfil its obligations under the Capital Securities, including the fact that the Issuer’s results can be adversely affected by (i) general economic conditions and other business conditions, (ii) competition, (iii) regulatory change and (iv) standard banking risks including changes in interest and foreign exchange rates and

operational, credit, market, liquidity and legal risks, see “Risk Factors” in the Registration Document. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Capital Securities, see “Risk Factors” in this Prospectus.

<b>Trustee</b>	Amsterdamsch Trustee’s Kantoor B.V.
<b>Issue Size</b>	€1,000,000,000
<b>Issue Price</b>	100 per cent.
<b>Redemption / Call Option</b>	The Capital Securities are perpetual securities and have no maturity date. Subject to prior consent of De Nederlandsche Bank N.V. (“ <b>DNB</b> ”), the Capital Securities may be redeemed in whole but not in part at the option of the Issuer, at their principal amount, together with any Outstanding Payments on the Coupon Payment Date falling on 10 March 2016 or any Coupon Payment Date thereafter.
<b>Interest</b>	The Capital Securities will bear interest from (and including) the Issue Date to (but excluding) 10 March 2016 at a rate of 4.31 per cent. per annum and thereafter floating rate interest at 1.66 per cent. above Three Month EURIBOR. Details of historic Three Month EURIBOR rates can be obtained from Telerate.
<b>Coupon Payment Dates</b>	Subject as described below, Coupon Payments will be payable annually in arrear on 10 March in each year from (and including) 10 March 2007 to (and including) 10 March 2016 and quarterly in arrear on 10 June, 10 September, 10 December and 10 March in each year from (and including) 10 June 2016.
<b>Condition of Payment</b>	No payment in respect of the Capital Securities shall be payable except to the extent that the Issuer is not subject to a Regulatory Event and could make such payment and still not be subject to a Regulatory Event immediately thereafter.
<b>Status and Subordination</b>	The Capital Securities constitute direct, unsecured and subordinated securities of the Issuer. The rights and claims of the Holders under the Capital Securities are subordinated to the claims of Senior Creditors (as defined in Condition 20) of the Issuer, present and future.
<b>Winding-up Claims</b>	The Capital Securities will rank on a winding-up ( <i>faillissement of vereffening na ontbinding</i> ) of the Issuer <i>pari passu</i> with the most senior ranking preference shares or other securities that qualify as Tier 1 capital issued by the Issuer, but will be subordinated in right of payment to the claims of Senior Creditors (as defined in Condition 20) of the Issuer, present and future.
<b>Mandatory Deferral of Payments</b>	<p>If the Issuer determines, on the 20th Business Day prior to the date on which any Payment (such term does not include principal) would, in the absence of deferral in accordance with Condition 4 of the Terms and Conditions of the Capital Securities, be due and payable, that it is subject to a Regulatory Event or that payment of the relevant Payment would result in the Issuer becoming subject to a Regulatory Event, the Issuer must defer such Payment.</p> <p>Any payment so deferred may be satisfied at any time by the Issuer giving not less than 16 Business Days notice of such satisfaction</p>

(provided that at the time of satisfying such payment, the Issuer is no longer subject to a Regulatory Event).

Unless the Issuer elects to defer such Payment pursuant to its optional right to defer referred to below, such required deferred payment must be satisfied on the Coupon Payment Date next following the 19th Business Day after the Issuer determines that it is no longer subject to a Regulatory Event and that such payment would not result in it becoming subject to a Regulatory Event again.

No interest will accrue on payments being mandatorily deferred.

**Optional Deferral of Payments**

The Issuer may elect to defer any Payment (such term does not include principal) on the Capital Securities for any period of time. However, if the Issuer makes this election, the deferred payment will bear interest at the Applicable Coupon Rate for the full period of optional deferral.

**Deferred and Future Interest Payments**

Any Payment which has been deferred will become immediately due and payable if (i) the Issuer makes declares, pays or distributes a dividend or makes a payment on, or purchases or redeems, any Junior Securities or Parity Securities or (ii) Holding declares, pays or distributes a dividend or makes any payment on any Holding Ordinary Shares.

**Dividend Stopper**

Each of the Issuer and the Holding have agreed that if the Issuer defers a payment for any reason as described above then, while any payment is so deferred, it will not recommend to its respective shareholders and, to the fullest extent permitted by applicable law, will otherwise act to prevent, any action that would constitute a Mandatory Payment Event or Mandatory Partial Payment Event.

**Alternative Coupon Satisfaction Mechanism**

Any Deferred Coupon Payment (with any interest accrued on such Deferred Coupon Payment, as applicable) will be satisfied using the Alternative Coupon Satisfaction Mechanism. This mechanism means that the relevant payment is satisfied from the proceeds of the issue by the Holding of such amount of Holding Ordinary Shares for cash as required to provide enough cash for the Issuer to make full payments on the Capital Securities in respect of the relevant Payment. When the Issuer elects to satisfy its obligation to make any Payment (other than a payment of principal) to Holders, the Holding will issue Holding Ordinary Shares equal to the amount of the Deferred Coupon Payment as directed by the Calculation Agent which will provide the cash amount due in respect of the Deferred Coupon Payment. Holding will calculate the number of Holding Ordinary Shares that must be issued in consultation with the Issuer to raise the full amount of money due on the Capital Securities on the Relevant Date to the Holders. Investors will always receive payments made in respect of the Capital Securities in cash.

**Sufficiency**

The Holding is required to keep available for issue enough Holding Ordinary Shares, as it reasonably considers would be required to satisfy from time to time the next year's scheduled Coupon Payment(s) and any Deferred Coupon Payments.

**Market Disruption Event**

If, in the opinion of the Holding, a Market Disruption Event in respect of its shares exists on or after the 15th Business Day

preceding any date upon which the Issuer is due to satisfy a Payment using the Alternative Coupon Satisfaction Mechanism (which is mandatory if it concerns Deferred Coupon Payments and which the Issuer may elect to do in other cases), the payment to Holders may be deferred until the Market Disruption Event no longer exists. Any such deferred payments shall bear interest at the Coupon Rate if the Market Disruption Event continues for 14 days or more.

**Additional Amounts**

The Issuer will pay additional amounts to Holders of the Capital Securities to gross up Payments upon the imposition of Dutch withholding tax, subject to customary exceptions.

**Redemption for Taxation Reasons**

Upon the occurrence of certain changes in the treatment of the Capital Securities for taxation purposes as described in Condition 7 of the Terms and Conditions of the Capital Securities, the Issuer may, subject to prior consent of DNB, redeem all but not some of the Capital Securities at a redemption amount as specified in Condition 7 (c) and 7 (d) of the Terms and Conditions of the Capital Securities.

**Redemption for Regulatory Reasons**

If securities of the nature of the Capital Securities cease to qualify as own funds and core capital (tier 1 capital or equivalent) for the purposes of determination of its solvency margin, capital adequacy ratios or comparable margins or ratios under applicable capital adequacy regulations, then the Issuer may, subject to prior consent of DNB:

- (i) redeem all, but not some, of the Capital Securities at a redemption amount as specified in Condition 7 (e) of the Terms and Conditions of the Capital Securities; or
- (ii) convert or exchange the Capital Securities to another series of capital securities having materially the same terms as the Capital Securities and which are no less favorable to an investor than the current terms of the Capital Securities although they may not have an Alternative Coupon Satisfaction Mechanism.

**Alteration of Terms upon a Regulatory Event**

Upon the occurrence of a Regulatory Event, the terms of the Capital Securities will be automatically altered so that they become non-cumulative Modified Securities, as more fully described in Condition 7 of the terms and Conditions of the Capital Securities.

**Remedy for Non-Payment**

The sole remedy against the Issuer available to any Holder of Capital Securities for recovery of amounts owing in respect of the Capital Securities will be the institution of proceedings for the winding-up (*faillissementsprocedure*) of the Issuer and/or proving in such winding up.

**Form**

The Capital Securities will be represented initially by a temporary global bearer security (the “**Temporary Global Security**”) without interest coupons, which shall be exchanged for a permanent global bearer security (the “**Permanent Global Security**”) and together with the Temporary Global Security, the “**Global Securities**”) not earlier than forty days after 10 March 2006 in accordance with its terms. The Global Securities shall be deposited with a common

depository for Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream**”). The Permanent Global Security will not be exchangeable for definitive Capital Securities in bearer form.

**Clearing Systems**

Clearstream and Euroclear.

**Selling Restrictions**

The offering and sale of the Capital Securities are subject to all applicable selling restrictions. See “Subscription and Sale” on page 43.

**Listing**

Application has been made to list the Capital Securities on Eurolist by Euronext Amsterdam. It is anticipated that the Capital Securities will be quoted as a percentage of their respective principal amounts.

**Ratings**

The Capital Securities are expected to be assigned, on issue, a rating of “A2” by Moody’s Investors Service, Inc. (“**Moody’s**”). As defined by Moody’s, obligations rated “A” are considered upper-medium grade and are subject to low credit risk. The Capital Securities are expected to be assigned, on issue, a rating of “A” by Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies, Inc. (“**Standard & Poor’s**”). As defined by Standard & Poor’s, an obligation rated “A” is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. However, the obligor’s capacity to meet its commitment of the obligation is still strong. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

**Governing Law**

The Capital Securities will be governed by, and construed in accordance with the laws of the Netherlands.

## **RISK FACTORS**

*Prospective investors should read the entire Prospectus.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Capital Securities, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Capital Securities may occur for other reasons. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties not presently known to the Issuer or additional risks and uncertainties that the Issuer currently believes to be immaterial could also have a material impact on its business operations. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

*Words and expressions defined in the “Terms and Conditions of the Capital Securities” below or elsewhere in this Prospectus have the same meanings in this section, unless otherwise stated. Prospective investors should consider, among other things, the following.*

### **Factors that may affect the Issuer’s ability to fulfil its obligations under the Capital Securities**

Each potential investor in the Capital Securities should refer to the Risk Factors section of the Registration Document (as defined below) incorporated by reference in this Prospectus for a description of those factors which may affect the Issuer’s ability to fulfil its obligations under the Capital Securities.

### **The Issuer’s obligations under the Capital Securities are subordinated**

The Issuer’s obligations under the Capital Securities will be unsecured and subordinated and will rank junior in priority of payment to Senior Creditors. “**Senior Creditors**” means (a) all unsubordinated creditors of the Issuer and (b) all subordinated creditors of the Issuer other than those whose claims rank pari passu with or junior to the claims of the holders of the Capital Securities. Although the Capital Securities may pay a higher rate of interest than comparable securities which are not subordinated, there is a real risk that an investor in the Capital Securities will lose all or some of his investment should the Issuer become insolvent.

### **Deferral**

The Issuer may elect to defer any Payment (such term does not include principal) on the Capital Securities for any period of time subject to suspension of payment on Junior Securities, Parity Securities and Holding Ordinary Shares, as more particularly described in “Terms and Conditions of the Capital Securities – 4. Deferrals”. Unless deferral is required as described under “Terms and Conditions of the Capital Securities – 4. Deferrals – (a) Mandatory Deferral of Payments”, any deferred payment will bear interest at the Applicable Coupon Rate.

### **Perpetual securities**

The Issuer is under no obligation to redeem the Capital Securities at any time and the Holders have no right to call for their redemption.

### **Redemption risk**

Upon the occurrence of certain specified tax or regulatory events, or the Coupon Payment Date falling on 10 March 2016 or any Coupon Payment Date thereafter, the Capital Securities may be redeemed at their principal amount or at their Make Whole Amount (as defined in “Terms and Conditions of the Capital Securities – 20. Definitions”), together with any Outstanding Payments (as defined in “Terms and Conditions of the Capital Securities – 20. Definitions”), subject as provided in “Terms and Conditions of the Capital Securities – 7. Redemption and Purchases”.

### **Alteration of terms upon a Regulatory Event**

Upon the occurrence of a Regulatory Event, the terms of the Capital Securities will be automatically altered so to reflect that they have become non-cumulative Modified Securities which for International Financial Reporting Standards (“IFRS”) purposes are classified as equity applying the current IFRS standards. See “Terms and Conditions of the Capital Securities – 7(h). Alteration of terms upon a Regulatory Event”.

If the terms of the Capital Securities are so altered, the Modified Securities that a Holder will then hold will have different rights than those applicable to the Capital Securities and such rights are less favourable to Holders than those that apply to the Capital Securities, provided that in a winding-up of the Issuer the Modified Securities will in any case, likewise the Capital Securities, rank *pari passu* with the most senior preference shares issued by the Issuer.

### **No limitation on issuing debt**

There is no restriction on the amount of debt which the Issuer may issue which ranks senior to the Capital Securities or on the amount of securities which the Issuer may issue which ranks *pari passu* with the Capital Securities. The issue of any such debt or securities may reduce the amount recoverable by Holders on a winding-up (*faillissement of verefenning na ontbinding*) of the Issuer or may increase the likelihood of a deferral of Payments under the Capital Securities.

### **Availability of shares**

If the Issuer is to make a payment using the Alternative Coupon Satisfaction Mechanism and the Holding has an insufficient number of Holding Ordinary Shares available for issue, then the Issuer’s payment obligation shall be suspended to the extent of such insufficiency until such time as sufficient shares are available to satisfy all or part of the suspended payment obligation, as more particularly described in “Terms and Conditions of the Capital Securities – 6. Alternative Coupon Satisfaction Mechanism – (d) Insufficiency”.

### **Market Disruption Event**

If, following a decision by the Issuer to satisfy a payment using the Alternative Coupon Satisfaction Mechanism, in the opinion of the Holding a Market Disruption Event in respect of the Holding Ordinary Shares exists, the payment to Holders may be deferred until the cessation of such market disruption, as more particularly described in “Terms and Conditions of the Capital Securities – 6. Alternative Coupon Satisfaction Mechanism – (e) Market Disruption”. Any such deferred payments shall bear interest at the Applicable Coupon Rate if the Market Disruption Event continues for 14 days or more.

### **Restricted remedy for non-payment**

The sole remedy against the Issuer available to the Trustee or any Holder for recovery of amounts owing in respect of any Payment or principal in respect of the Capital Securities will be the institution of proceedings for the winding-up of the Issuer and/or proving in such winding-up.

### **Set-off**

Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Capital Securities and each Holder shall, by virtue of being the bearer of any Capital Security, be deemed to have waived all such rights of set-off.

### **Absence of prior public markets**

The Capital Securities constitute an issue of new securities by the Issuer. Prior to this issue, there will have been no public market for the Capital Securities. Although application has been made for the

Capital Securities to be listed on Eurolist by Euronext Amsterdam N.V., there can be no assurance that an active public market for the Capital Securities will develop and, if such a market were to develop, the Managers are under no obligation to maintain such a market. The liquidity and the market prices for the Capital Securities can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer and other factors that generally influence the market prices of securities.

## IMPORTANT NOTICE

### **Responsibility**

*The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (having 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.*

*No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the Capital Securities and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Trustee or the Managers (as defined under “Subscription and Sale” below). Neither the delivery of this document nor any sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer or Holding and its subsidiaries (together the “Group”) since the date hereof. This document does not constitute an offer of, or an invitation by, or on behalf of, the Issuer, the Trustee or the Managers to subscribe for, or purchase, any of the Capital Securities. This document does not constitute an offer, and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.*

*Neither the Managers (other than the Issuer) nor the Trustee have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers (other than the Issuer), the Trustee or any of them as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection with the Capital Securities or their distribution.*

### **Offering and Selling Restrictions**

*This Prospectus should not be considered as a recommendation by the Issuer or the Managers that any recipient of this Prospectus should purchase any of the Capital Securities. Each investor contemplating purchasing Capital Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.*

*The Capital Securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “Securities Act”) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Capital Securities may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and sale of the Capital Securities and on distribution of this document, see “Subscription and Sale” below.*

### **STABILISATION**

*IN CONNECTION WITH THE ISSUE OF THE CAPITAL SECURITIES, ABN AMRO BANK N.V. MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILISE OR MAINTAIN THE MARKET PRICE OF THE CAPITAL SECURITIES AT A LEVEL WHICH MIGHT NOT OTHERWISE PREVAIL. SUCH STABILISING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME AND SHALL BE IN COMPLIANCE WITH ALL APPLICABLE LAWS AND REGULATIONS.*

### **Miscellaneous**

*All references in this document to “euro”, “euros”, “EUR” and “€” 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 (signed in Rome on 25th March, 1957) as amended by the Treaty on European Union (signed in Maastricht on 7th February, 1992).*

*In this Prospectus, “we”, “our”, “us” or the Issuer refers to ABN AMRO Bank N.V. and its consolidated subsidiaries (unless the context requires otherwise).*

## DOCUMENTS INCORPORATED BY REFERENCE

The Issuer's registration document dated 1 July 2005 (the "**Registration Document**"), prepared in accordance with Article 5(3) of the Prospectus Directive was published prior to the date of this Prospectus, has been approved by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) in its capacity as competent authority under the Capital Securities Transactions Supervision Act 1995 (*Wet toezicht effectenverkeer 1995*) (the "**Competent Authority**") and shall be incorporated in, and form part of, this Prospectus.

Copies of the Registration Document can be obtained from the registered office of the Issuer at Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands and on [www.abnamro.com](http://www.abnamro.com).

## TERMS AND CONDITIONS OF THE CAPITAL SECURITIES

*The following, subject to alteration, are the terms and conditions of the Capital Securities which will be endorsed on the Global Securities:*

The Capital Securities are constituted by the Trust Deed. The issue of the Capital Securities was authorised pursuant to resolutions of the Board of Managing Directors of the Issuer passed on 10 January 2006. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed. Copies of the Trust Deed, the Agency Agreement and the Calculation Agency Agreement are available for inspection during normal business hours by the Holders at the registered office of the Trustee, being at Olympic Plaza, Fred Roeskestraat 123, 1076 EE Amsterdam and at the specified office of the Paying Agent. The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Agency Agreement and the Calculation Agency Agreement applicable to them.

### 1. Form, Denomination and Title

#### (a) Form and Denomination

The Capital Securities are in bearer form and shall be in denominations of EUR 1,000, EUR 10,000 and EUR 100,000. The Capital Securities will initially be represented by a temporary global bearer security (the “**Temporary Global Security**”) without interest coupons, which shall be exchanged for a permanent global bearer security (the “**Permanent Global Security**”) and together with the Temporary Global Security, each a “**Global Security**” and together the “**Global Securities**”) not earlier than forty days after 10 March 2006 in accordance with its terms. The Global Securities will be deposited with a common depository for Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream**”). The Permanent Global Security will not be exchangeable for definitive Capital Securities in bearer form.

#### (b) Transfer and Title

Interests in the Global Securities will be transferable in book-entry form only in accordance with the laws, rules and procedures for the time being applicable to Euroclear and Clearstream.

### 2. Status

#### (a) Status and Subordination of the Capital Securities

The Capital Securities constitute direct, unsecured, subordinated securities of the Issuer and rank *pari passu* without any preference among themselves.

- (b) (i) *Condition of Payment by the Issuer:* Payments in respect of the Capital Securities (and the issue of Ordinary Shares in accordance with Condition 6) are conditional upon the Issuer not being subject to a Regulatory Event at the time of payment (or at the time of issue of such Ordinary Shares) and no principal or Payments shall be due and payable in respect of the Capital Securities (including the issue of Ordinary Shares in accordance with Condition 6) except to the extent that the Issuer is not subject to a Regulatory Event and could make such payment (or make such issue of Ordinary Shares) and still not be subject to a Regulatory Event.

For the purposes of this Condition 2(b)(i) any reference to a payment by the Issuer in respect of a Capital Security shall be deemed to include a redemption or purchase of such Capital Security by the Issuer.

- (ii) *Winding-Up Claims of the Issuer:* Amounts in respect of principal or Payments in respect of which the conditions referred to in Condition 2(b)(i) are not satisfied on the date up on which the same would otherwise be due and payable (“**Winding-Up Claims**”) will be

payable by the Issuer in a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer as provided in Condition 3 and on any redemption pursuant to Condition 7(b), 7(c) 7(d) or 7(e). A Winding-Up Claim shall not bear interest.

- (iii) *Set-off*: Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Capital Securities and each Holder shall, by virtue of being the bearer of any Capital Security, be deemed to have waived all such rights of set-off.

### **3. Winding-up and subordination**

If at any time an order is made, or an effective resolution is passed, for the winding-up (*faillissement of vereffening na ontbinding*) of the Issuer (except in any such case a solvent winding-up solely for the purpose of a reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business (as defined in the Trust Deed) of the Issuer, the terms of which reconstruction, amalgamation or substitution have previously been approved in writing by the Trustee or by an Extraordinary Resolution), there shall be payable by the Issuer in respect of each Capital Security (in lieu of any other payment by the Issuer) a winding-up amount. The Capital Securities will rank on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer *pari passu* with the most senior ranking preference shares or other securities that qualify as Tier 1 capital issued by the Issuer and rank *pari passu* with each other and among themselves, but will be subordinated in right of payment to the claims of Senior Creditors of the Issuer, present and future.

In a winding-up of the Issuer, Holders of the Capital Securities will only have a claim for payment in full or part of principal and Deferred Coupon Payments, if any, to the extent that distributable assets of the Issuer are sufficient to pay in full or part such amount of principal and such Deferred Coupon Payments.

### **4. Deferrals**

The Issuer must make each Coupon Payment on the relevant Coupon Payment Date subject to and in accordance with these Terms and Conditions. Without prejudice to the generality of Condition 2, the Issuer must or, subject to Condition 4(c), may defer a Coupon Payment and any other Payment in the following circumstances:

#### *(a) Mandatory Deferral of Payments*

- (i) If, on the 20th Business Day preceding the date on which any Payment would, in the absence of deferral in accordance with this Condition 4, be due and payable, the Mandatory Deferral Condition is met, any such Payment must (subject to Condition 6) be deferred by the Issuer giving notice (a “**Deferral Notice**”) to the Trustee, the Holders, the Principal Paying Agent and the Calculation Agent not less than 16 Business Days prior to such date.

If, following the deferral of a Payment by the Issuer under this Condition 4(a)(i), the Mandatory Deferral Condition is no longer met on the 20th Business Day preceding a Coupon Payment Date, then the Issuer shall satisfy such Payment on the relevant Deferred Coupon Satisfaction Date having given, not less than 16 Business Days prior to the Deferred Coupon Satisfaction Date, notice to the Trustee, the Holders and the Calculation Agent that it will satisfy such Payment on such date.

- (ii) The Issuer shall not satisfy such Payment on the relevant Deferred Coupon Satisfaction Date referred to in Condition 4(a) (i) above, if:
  - (1) it has previously elected to satisfy such Payment earlier (provided that, at the time of satisfying such payment, the Mandatory Deferral Condition fails to be met) by delivering a notice to the Trustee, the Holders, the Principal Paying Agent and the

Calculation Agent not less than 16 Business Days prior to the relevant Deferred Coupon Satisfaction Date that it will satisfy such Payment on such date; or

- (2) it validly elects to defer under Condition 4(b) the Payment which would otherwise have been satisfied under Condition 4(a) (i).
- (iii) If any Payment is deferred pursuant to this Condition 4(a) then no amount will be payable by way of interest on any such deferred Payment, save as provided in Condition 6(e).

Any such deferred Payment shall be satisfied from the proceeds of the issue of Holding Ordinary Shares in accordance with Condition 6.

*(b) Optional Deferral of Payments*

- (i) Subject to Condition 4(c), the Issuer may in respect of any Payment which would, in the absence of deferral in accordance with this Condition 4, be due and payable, defer all or part of such Payment by giving a notice (also a “**Deferral Notice**”) to the Trustee, the Principal Paying Agent, the Calculation Agent and the Holders not less than 16 Business Days prior to the relevant due date. Subject to Condition 4(c), the Issuer may then satisfy any such Payment at any time by means (and, unless the prior consent of the relevant regulator is obtained, only by means) of an issue by the Holding of Holding Ordinary Shares in accordance with Condition 6 upon delivery of a notice to the Trustee, the Principal Paying Agent and the Calculation Agent not less than 16 Business Days prior to the relevant Deferred Coupon Satisfaction Date informing them of its election to so satisfy such Payment and specifying the relevant Deferred Coupon Satisfaction Date.
- (ii) If any Payment is deferred pursuant to this Condition 4(b) then such deferred Payment shall bear interest at the Applicable Coupon Rate from (and including) the date on which (but for such deferral) the Deferred Coupon Payment would otherwise have been due to be made to (but excluding) the relevant Deferred Coupon Satisfaction Date.

*(c) Dividend Pusher; Mandatory Payments and Mandatory Partial Payments*

The Issuer may give a Deferral Notice in its sole discretion and for any reason, except that a Deferral Notice as to a Payment required to be paid pursuant to (i), (ii) or (iii) below shall have no force or effect.

The Issuer will be required to make payments on the Capital Securities in the following circumstances:

- (i) If a Mandatory Payment Event or a Mandatory Partial Payment Event occurs then all Deferred Coupon Payments will become mandatorily due and payable in full on the date of the Mandatory Payment Event or Mandatory Partial Payment Event, notwithstanding any further Deferral Notice or an occurrence or continuance of the Mandatory Deferral Condition.

The Issuer may satisfy its obligations to pay such Deferred Coupon Payment only in accordance with the Alternative Coupon Satisfaction Mechanism. For the avoidance of doubt the Issuer will not be required to utilise the Alternative Coupon Satisfaction Mechanism in order to satisfy its obligation to pay any Mandatory Partial Payment payable on a Mandatory Partial Payment Date that coincides with the date on which such Deferred Coupon Payment has become mandatorily due and payable in full.

- (ii) If a Mandatory Payment Event occurs, then subject as provided in the next sentence, the Coupon Payments payable on the next Coupon Payment Date (or after the First Reset Date, each of the four Coupon Payment Dates) will be mandatorily due and payable in full on such next Coupon Payment Dates (or, after the first Reset Date, the next four Coupon Payment Dates), notwithstanding any Deferral Notice as to such Coupon Payments. If, after the First Reset Date, the Mandatory Payment Event is a payment on a Junior Security or on a Junior Guarantee or on a security benefiting from a Junior Guarantee which in each case is in respect of a semi annual dividend, then the Coupon Payments payable on only the next two Coupon Payment Dates

(instead of the next four Coupon Payment Dates) will be due and payable in full on such Coupon Payment Dates notwithstanding any Deferral Notice as to such Coupon Payments. The Issuer is permitted, but shall not be required, to satisfy its obligation to make the Coupon Payment payable on such Coupon Payment Date in accordance with the Alternative Coupon Satisfaction Mechanism.

- (iii) If a Mandatory Partial Payment Event occurs, then Mandatory Partial Payments will be mandatorily due and payable in respect of each Capital Security, notwithstanding any Deferral Notice. Such Mandatory Partial Payments shall be payable on the immediately next Coupon Payment Date (or, after the first Reset Date, such Mandatory Partial Payments shall be payable on each of the four consecutive Coupon Payment Dates, the immediately next two consecutive Coupon Payment Dates or the immediately next Coupon Payment Date, as the case may be, after the occurrence of such Mandatory Partial Payment Event, depending on whether the Parity Securities pay dividends or income distributions on an annual basis, semi annual basis or a quarterly basis, as the case may be). The Issuer is permitted, but shall not be required, to satisfy its obligation to pay any Mandatory Partial Payments in accordance with the Alternative Coupon Satisfaction Mechanism.

*(d) Dividend Stopper*

Each of the Issuer and the Holding have agreed that if the Issuer defers a payment for any reason as described above then, while any payment is so deferred, it will not recommend to its respective shareholders and, to the fullest extent permitted by applicable law, will otherwise act to prevent, any action that would constitute a Mandatory Payment Event or Mandatory Partial Payment Event.

## **5. Coupon Payments**

*(a) Coupon Payment Dates*

Subject to Condition 4(b)(ii), the Capital Securities bear interest at the Fixed Coupon Rate from (and including) the Issue Date to (but excluding) the First Reset Date and at the Floating Coupon Rate from (and including) the First Reset Date. Such interest will (subject to Conditions 2(b)(i), 4(a), 4(b), 6(d) and 6(e)) be payable on each Coupon Payment Date. Each Capital Security will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest at the prevailing rate in accordance with this Condition (both before and after judgment) as provided in the Trust Deed.

If any Coupon Payment Date would otherwise fall on a day which is not a Business Day it shall be postponed to the next Business Day unless it would then fall into the next calendar month in which event the Coupon Payment Date shall be brought forward to the preceding Business Day.

*(b) Coupon Rate*

The Coupon Rate payable from time to time in respect of the Capital Securities will be determined on the basis of the following provisions:

- (i) The Fixed Coupon Rate in respect of the period from (and including) the Issue Date to (but excluding) the First Reset Date is 4.31 per cent. per annum.
- (ii) The Floating Coupon Rate in respect of each Coupon Period commencing on any Reset Date shall be the aggregate of 1.66 per cent. per annum and Three Month EURIBOR in respect of such Coupon Period (as determined by the Calculation Agent on the relevant Interest Determination Date).

(c) *Determination and Publication of Coupon Rate and Coupon Amounts*

The Calculation Agent will, upon the determination of each Floating Coupon Rate pursuant to Condition 5(b)(ii), calculate the Coupon Amount and cause the Floating Coupon Rate and each Coupon Amount payable in respect of a Coupon Period to be notified to the Trustee, the Issuer, the Principal Paying Agent, Euronext Amsterdam N.V. and the Holders and to be published on the website of the Issuer as soon as possible after their determination but in no event later than the fourth Business Day thereafter.

Whenever it is necessary to calculate an amount of interest in respect of any Capital Security for a period and such period ends prior to the First Reset Date, such interest shall be calculated by applying the Fixed Coupon Rate to the principal amount of such Capital Security, multiplying such sum by the Fixed Day Count Fraction and rounding the resultant figure to the nearest cent, half a cent being rounded upwards.

Whenever it is necessary to calculate an amount of interest in respect of any Capital Security for a period and such period begins on or after the First Reset Date, such interest shall be calculated by applying the Coupon Rate prevailing for such period to the principal amount of such Capital Security, multiplying such sum by the actual number of days in the relevant period divided by 360, and rounding the resultant figure to the nearest cent, half a cent being rounded upwards.

(d) *Determination or Calculation by Trustee*

If the Calculation Agent does not at any time for any reason (i) determine the Coupon Rate in accordance with Condition 5(b)(ii), or (ii) calculate a Coupon Amount in accordance with Condition 5(c), the Trustee or an agent on its behalf shall do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee or such agent shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it or such agent can do so, and in all other respects it or such agent shall do so in such manner as it shall deem fair and reasonable in all the circumstances. All determinations or calculations made or obtained for the purposes of the provisions of this Condition 5(d) by or on behalf of the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agents and all Holders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Holders shall attach to the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

## 6. **Alternative Coupon Satisfaction Mechanism**

(a) *Alternative Coupon Satisfaction Mechanism*

If any Deferred Coupon Payment (with any interest accrued on such Deferred Coupon Payment, as applicable) is to be made, it will be satisfied using the Alternative Coupon Satisfaction Mechanism. In addition the Issuer may elect to satisfy its obligation to make any Payment (other than Deferred Coupon Payments and a payment of principal) to holders by using the Alternative Coupon Satisfaction Mechanism. “**Alternative Coupon Satisfaction Mechanism**” means that the relevant payment is satisfied through the application of cash proceeds of an issue by the Holding of Holding Ordinary Shares, as required to provide enough cash to make full payments on the Capital Securities in respect of the relevant Payment, in accordance with and subject to the following provisions of this Condition 6. Investors will always receive payments made in respect of Capital Securities in cash.

If the Issuer uses the Alternative Coupon Satisfaction Mechanism, the Issuer shall notify the Holding, the Trustee, the Principal Paying Agent and the Calculation Agent not less than 16 Business Days prior to the relevant Coupon Payment Date. In the absence of or save to the extent of such election and issue, subject to Condition 4(a) (*Mandatory Deferral of Payments*) and Condition 4 (b) (*Optional Deferral of Payments*), Payments must be satisfied in accordance with Condition 8(a), provided that if under Condition 4(a) (*Mandatory Deferral of Payments*) the Mandatory Deferral Condition is met the relevant Payment must be deferred unless the Issuer is no longer subject to a Regulatory Event.

*(b) Issue of shares*

If any Payment is to be satisfied through the application of cash proceeds from the issue of Holding Ordinary Shares by the Holding and the corresponding issue of Ordinary Shares by the Issuer to the Holding then, subject to Conditions 6(d) and 6(e):

- (i) by close of business on or before the seventh Business Day prior to the relevant Coupon Payment Date or Deferred Coupon Satisfaction Date the Holding will issue such number of Holding Ordinary Shares (the “**Payment Ordinary Shares**”) as, in the determination of the Calculation Agent, have a market value of not less than the relevant Payment to be satisfied in accordance with this Condition 6;
- (ii) if, after the operation of the above procedures, there would in the opinion of the Calculation Agent be a shortfall on the date on which the relevant Payment is due, the Holding shall issue further Holding Ordinary Shares in accordance with the provisions of the Trust Deed to ensure that a sum at least equal to the relevant Payment is available to make the Payment in full on the relevant due date provided that if, despite the operation of the aforementioned provisions, such a shortfall exists on the relevant due date the Holding may, in accordance with the provisions of the Trust Deed either pay an amount equal to such shortfall as soon as practicable to the Trustee or continue, to issue Holding Ordinary Shares until the Principal Paying Agent shall have received funds equal to the full amount of such shortfall.

*(c) Receipt of cash proceeds in respect of Issue of Holding Ordinary Shares satisfies Payment*

Where the Issuer either elects or is required to make a Payment hereunder by application of the cash proceeds of an issuance by the Holding of Holding Ordinary Shares and the Holding in accordance with its obligations under the Trust Deed issues such shares, the cash proceeds of such issue by the Holding shall, subject to condition 6(e), be used to satisfy the relevant Payment or, as the case may be, in the circumstances referred to in (d) below, the relevant part of such Payment. Such payments are made by the Holding for the benefit of the Bank pursuant to the declaration of joint and several liability which the Holding has issued in favour of the Bank under article 2:403 of the Dutch Civil Code.

*(d) Insufficiency*

- (i) If the Issuer is to satisfy a Payment in accordance with this Condition 6 and the Holding does not, on the date when the number of Holding Ordinary Shares required to be issued is determined in accordance with this Condition 6, have sufficient number of Holding Ordinary Shares available for issue, then the Issuer and/or the Holding shall notify the Trustee, the Principal Paying Agent, the Calculation Agent and the Holders that all or part, as the case may be, of the relevant Payment cannot be so satisfied due to the events described in this paragraph. In this case the Payment or part thereof shall be satisfied following the date of the next annual general meeting or extraordinary general meeting of shareholders of the Holding, at which a resolution is passed making a sufficient number of Holding Ordinary Shares available to satisfy all or such part of the relevant Payment provided that if the number of Holding Ordinary Shares authorised to be issued at any such meeting is insufficient to satisfy all or such part of the relevant Payment then those Holding Ordinary Shares so issued shall be applied by the Issuer in part satisfaction of all or such part of the relevant Payment. Following the passage of any such resolution, the Issuer shall notify the Trustee, the Paying Agent, the Calculation Agent and the Holders of the date upon which the relevant Payment or, as the case may be, the part thereof is to be made in accordance herewith on not less than 16 Business Days’ notice. The relevant Payment or, as the case may be, the part thereof which is not so satisfied shall, unless it is a required Deferred Coupon Payment which had been deferred under Condition 4(a) and has not been subsequently either satisfied or deferred in accordance with Condition 4(b), continue to accrue interest at the rate specified in Condition 4(b)(ii) from (and including) the date on which Payment would otherwise have been due to (but excluding) the date on which such

Payment or part thereof is satisfied or, in the event of a Market Disruption Event, the date on which such Payment or part thereof would, but for the occurrence of such Market Disruption Event, have been satisfied (from which date interest (if any) will accrue on such Payment as provided in Condition 6(e)).

- (ii) If, in the case of an insufficiency of Holding Ordinary Shares, the Holding does not hold an annual general meeting within 6 months of giving the above first-mentioned notice, at which a resolution to make a sufficient number of Holding Ordinary Shares so available is proposed, the Trustee shall by notice require the Holding to convene an extraordinary general meeting at which such a resolution shall be proposed on a date falling within 10 weeks of such notice from the Trustee.
- (iii) In the event that any such resolution proposed at any such annual general meeting or extraordinary general meeting of the Holding is rejected, such resolution will be proposed at each annual general meeting or any extraordinary general meeting of the Holding thereafter until such time as such resolution has been passed by the shareholders of the Holding .

*(e) Market Disruption*

Notwithstanding the provisions of Condition 6(b), if there exists, in the opinion of the Holding (subject, where necessary, to determinations made by the Calculation Agent), a Market Disruption Event on or after the 15th Business Day preceding any date upon which a Payment or, in the case of an insufficiency as provided in paragraph (d) above, part thereof is due to be made or satisfied in accordance with this Condition 6, then the Holding may give a notice to the Issuer, the Trustee, the Principal Paying Agent, the Calculation Agent and the Holders as soon as possible after the Market Disruption Event has arisen or occurred, whereupon the relevant Payment shall be deferred until such time as (in the opinion of the Issuer) the Market Disruption Event no longer exists.

Any such deferred Payment or part thereof will be satisfied as soon as practicable following such time as the Market Disruption Event no longer exists. Interest shall not accrue on such deferred Payment or part thereof unless, as a consequence of the existence of a Market Disruption Event, the Issuer does not make the relevant Payment or part thereof for a period of 14 days or more after the due date therefore, in which case interest shall accrue on such deferred Payment or part thereof from (and including) the date on which the relevant Payment or part thereof was due to be made to (but excluding) the date on which such Payment or part thereof is made. Any such interest shall accrue at the rate provided for in Condition 5 and shall be satisfied only in accordance with this Condition 6 and as soon as reasonably practicable after the relevant deferred Payment is made.

*(f) Certification to Trustee*

The Issuer and the Holding will certify to the Trustee that the proceeds used to make any Deferred Coupon Payment have been funded through the issue by the Holding of Holding Ordinary Shares which will provide the cash amount due in respect of the Deferred Coupon Payment.

## **7. Redemption and Purchases**

*(a) No Fixed Redemption Date*

The Capital Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Conditions 2 and 3 and without prejudice to the provisions of Condition 12) only have the right to repay them in accordance with the following provisions of this Condition 7.

*(b) Issuer's Call Option*

Subject to Condition 2(b)(i) and prior consent of the Dutch Central Bank, the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 16 and to the Principal Paying Agent and the Trustee, which notice shall be irrevocable, elect to redeem all, but not some only, of the Capital Securities on the Coupon Payment Date falling on 10 March 2016 or any Coupon Payment Date thereafter at their principal amount together with any Outstanding Payments.

*(c) Redemption for tax reasons, as a result of a Tax Law Change*

If the Issuer satisfies the Trustee immediately prior to the giving of the notice referred to below that, as a result of any change in or proposed change in, or amendment to or proposed amendment to, the laws of the Netherlands or any political subdivision or authority thereof having power to tax, or any change in or proposed change in the application of official or generally published interpretation of such laws, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such law or regulations that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written confirmation given by a tax authority in respect of the Capital Securities, which change or amendment becomes, or would become, effective, or in the case of a change or proposed change in law if such change is enacted (or, in the case of a proposed change, is expected to be enacted) by Act of Parliament or made by statutory instrument on or after 8 March 2006 (a "**Tax Law Change**"), on the next due date for a Coupon Payment:

- (i) the Issuer would, for reasons outside its control, be unable to make such payment without being required to pay additional amounts as provided or referred to in Condition 11; or
- (ii) there is more than an insubstantial risk that the Issuer will not obtain full or substantially full relief for the purposes of Dutch corporation tax for any payment of interest including, for the avoidance of doubt, where the payment of interest is to be satisfied by the issue of Holding Ordinary Shares; or
- (iii) payments of amounts in respect of interest on the Capital Securities including, for the avoidance of doubt, the issue of Holding Ordinary Shares pursuant to Condition 6, may be treated as 'distributions' within the meaning of Section II of the Dividend Withholding Tax Act 1965 (Wet op de dividendbelasting 1965) (or such other Section and/or Act as may from time to time supersede or replace Section II of the Dividend Withholding Tax Act 1965 for the purposes of such definition) and such requirement or circumstance cannot be avoided by the Issuer taking such measures as it (acting in good faith) deems appropriate;

then the Issuer may (subject to Condition 2(b)(i) and prior consent of the Dutch Central Bank), having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 16, the Holders (which notice shall be irrevocable), redeem, in accordance with these Terms and Conditions, at any time all, but not some only, of the Capital Securities at their principal amount together with any Outstanding Payments.

Prior to the publication of any notice of redemption pursuant to this Condition 7(c), the Issuer shall deliver to the Trustee a certificate signed by a member of the Board of Managing Directors of the Issuer stating that the relevant requirement or circumstance referred to in paragraphs (i), (ii) or (iii) above is satisfied and the Trustee shall accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Holders.

*(d) Redemption for tax reasons, other than as a result of a Tax Law Change*

If the Issuer satisfies the Trustee immediately prior to the giving of the notice referred to below that, other than as a result of a Tax Law Change, on the next due date for a Coupon Payment:

- (i) the Issuer would, for reasons outside its control, be unable to make such payment without being required to pay additional amounts as provided or referred to in Condition 11; or

- (ii) payments of amounts in respect of interest on the Capital Securities including, for the avoidance of doubt, the issue of Holding Ordinary Shares pursuant to Condition 6, may be treated as ‘distributions’ within the meaning of Section II of the Dividend Withholding Tax Act 1965 (Wet op de dividendbelasting 1965) (or such other Section and/or Act as may from time to time supersede or replace Section II of the Dividend Withholding Tax Act 1965 for the purposes of such definition) and such requirement or circumstance cannot be avoided by the Issuer taking such measures as it (acting in good faith) deems appropriate; or
- (iii) there is more than an insubstantial risk that the Issuer will not obtain full or substantially full relief for the purposes of Dutch corporation tax for any payment of interest including, for the avoidance of doubt, where the payment of interest is to be satisfied by the issue of Holding Ordinary Shares;

then the Issuer may (subject to Condition 2(b)(i) and prior consent of the Dutch Central Bank), having given not less than 30 nor more than 60 days’ notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 16, the Holders (which notice shall be irrevocable), redeem, in accordance with these Terms and Conditions, at any time all, but not some only, of the Capital Securities:

- (A) in case such event occurs prior to the First Reset Date, at the greater of the Make Whole Amount and the principal amount together with any Outstanding Payments; and
- (B) in case such event occurs on or after the First Reset Date, at their principal amount, together with any Outstanding Payments (all such amounts so payable being payable in cash, save for any Deferred Coupon Payments which will be satisfied by operation of Condition 6).

Prior to the publication of any notice of redemption pursuant to this Condition 7(d), the Issuer shall deliver to the Trustee a certificate signed by a member of the Board of Managing Directors of the Issuer stating that the relevant requirement or circumstance referred to in paragraphs (i), (ii) or (iii) above is satisfied and the Trustee shall accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Holders.

*(e) Redemption for Regulatory Purposes*

If the Issuer notifies the Trustee immediately prior to the giving notice referred to below that the Dutch Central Bank has determined that securities of the nature of the Capital Securities cease to qualify as Tier 1 Capital of the Issuer (or instruments of a similar nature which qualify as core capital) for the purposes of applicable adequacy regulations (a “**Capital Disqualification Event**”), then the Issuer may (subject to the prior consent of the Dutch Central Bank) and Condition 2(b)(i)), having given not less than 30 nor more than 60 days’ notice (which notice shall be irrevocable) to the Trustee, the Principal Paying Agent and, in accordance with Condition 16, the Holders:

- (i) redeem, in accordance with these Terms and Conditions, at any time all, but not some only, of the Capital Securities:
  - (A) in case the event occurs before the First Reset Date, at a redemption price equal to the greater of the Make Whole Amount and the principal amount together with any Outstanding Payments;
  - (B) in case the event occurs after the First Reset Date, at their principal amount together with any Outstanding Payments; or
- (ii) convert or exchange the Capital Securities to another series of capital securities having materially the same terms as the Capital Securities and which are no less favourable to an investor than the current terms of the Capital Securities although they may not have an Alternative Coupon Satisfaction Mechanism.

(f) *Purchases*

The Issuer, may (subject to Condition 2(b)(i)) at any time purchase Capital Securities in any manner and at any price.

(g) *Cancellation*

Cancellation of any Capital Securities so redeemed by the Issuer will be effected by reduction in the principal amount of the Global Security and may not be reissued or resold. Capital Securities purchased by the Issuer, may be held, reissued, resold or, at the option of the Issuer, be cancelled by decreasing the number of Capital Securities represented by the Global Security by an equal number. Any Capital Securities so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Capital Securities shall be discharged.

(h). *Alteration of terms upon a Regulatory Event*

(i) Upon the occurrence of a Regulatory Event, Condition 4 will no longer apply to the Capital Securities and be replaced with the provisions below in this paragraph (h). The Capital Securities thus altered will be referred to as the '**Modified Securities**'. Subject hereto, following a Regulatory Event the Modified Securities will remain outstanding on the remaining Conditions applicable to the Capital Securities.

(ii) Subject to all laws including the capital adequacy rules of the Dutch Central Bank, which may apply to the Capital Securities in order to be qualified as Tier 1 Capital, the Modified Securities are intended to provide the holders thereof, as nearly as possible with the same economic rights and benefits as are attached to the Capital Securities, save that Coupon Payments on the Modified Securities are not cumulative. The Modified Securities are intended to be classified as equity for IFRS (International Financial Reporting Standard) purposes.

(iii) As soon as reasonably practicable following the occurrence of a Regulatory Event, the Issuer shall cause notice thereof to be given in accordance with Condition 16 to the Holders.

(iv) The Issuer is allowed, at its sole discretion, not to declare the whole or part of any Coupon Payment on the Modified Securities on one or more Coupon Payment Dates. However, the Modified Securities will authorise a Coupon Payment in full on the Modified Securities on:

(x) the next Coupon Payment Date (or after the First Reset Date, each of the four consecutive Coupon Payment Dates) contemporaneous with and/or immediately following the date on which Holding or one of its subsidiaries (A) declares or makes a dividend or other payment on its ordinary shares that pay dividends annually, or (B) redeems, repurchases or otherwise acquires any ordinary shares (other than (I) in connection with transactions effected by or for the account of customers of Holding or any of its subsidiaries or in connection with the distribution, trading or market-making in respect of such securities, (II) in connection with the satisfaction by Holding or any of its subsidiaries of its obligations under any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants, (III) as a result of a reclassification of the capital stock of Holding or any of its subsidiaries or the exchange or conversion of one class or series of such capital stock for another class or series of such capital stock or (IV) the purchase of fractional interests in shares of the capital stock of Holding or any of its subsidiaries pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged) for any consideration (or any moneys are paid to or made available for a sinking fund or for redemption of any such securities) (except by conversion into or in exchange for ordinary shares);

(y) the next Coupon Payment Date (or after the First Reset Date, each of the two consecutive Coupon Payment Dates) contemporaneous with and/or immediately following the date on which a dividend or other payment is declared or made on the ordinary shares that pay dividends semi-annually, if any; and

(z) the next Coupon Payment Date that is either contemporaneous with, or immediately following the date on which a dividend or other payment is declared or made on the ordinary shares that pay dividends quarterly, if any.

If, for whatever reason, despite being authorised under the Modified Securities, Coupon Payments are not declared on any Coupon Payment Date to the full extent authorised, then, automatically under the terms of the Modified Securities, such Coupon Payments will be deemed declared on such Coupon Payment Date to the full extent authorised under the terms of the Modified Securities.

## **8. Payments**

### *(a) Method of Payment*

- (i) Payments of principal and Coupon Amounts and all other payments on or in respect of the Capital Securities will be in euro and will be calculated by the Calculation Agent and effected through the Paying Agents.

Payments of redemption amounts and interest in respect of the Capital Securities will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Capital Securities, surrender of the Global Security to the order of the Paying Agent. A record of each payment will be endorsed on the appropriate part of the schedule to the Global Security by or on behalf of the Paying Agent, which endorsement shall be *prima facie* evidence that such payment has been made in respect of the Capital Securities.

- (ii) The names of the initial Paying Agents and their initial specified offices are set out below. The Issuer reserves the right, subject to the prior written approval of the Trustee at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that it will at all times maintain (aa) a Paying Agent having a specified office in the Netherlands and (bb) a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC. Notice of any such termination or appointment and of any change in the specified offices of the Paying Agents will be given to the Holders in accordance with Condition 16.

### *(b) Payments subject to fiscal laws*

All payments made in accordance with these Terms and Conditions will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 11.

### *(c) Payments on Payment Business Days*

The Global Security may only be presented for payment on a day (other than a Saturday or a Sunday) on which (i) commercial banks are open for general business in Amsterdam and, if different, in the place of the specified office of the relevant Paying Agent to whom the Global Security is presented for payment and (ii) the Trans-European Real-time Gross settlement Express Transfer (TARGET) System is operating. No further interest or other payment will be made as a consequence of the day on which the Global Security may be presented for payment under this paragraph falling after the due date.

## **9. Reservation of Holding Ordinary Shares**

The Holding shall, from time to time, keep available for issue such number of Holding Ordinary Shares as it reasonably considers would be required to be issued in order to satisfy the requirement to issue Payment Ordinary Shares in accordance with Condition 6 in connection with the next Coupon Payment (or next four Coupon Periods following the First Reset Date). No damages will be payable for breach of the covenant in the preceding sentence but, in the event of breach by the Holding of this Condition

9, the Trustee may require that the Holding holds as soon as practicable an extraordinary general meeting of the shareholders of the Holding at which a resolution is proposed to remedy the breach.

The Trustee shall not be obliged to monitor compliance by the Holding with this Condition and shall be entitled to assume, unless it has actual knowledge to be contrary, that the Holding is complying with its obligations under this Condition.

#### **10. Non-Payment when Due**

*Notwithstanding any of the provisions below in this Condition 10, the right to institute winding-up proceedings is limited to circumstances where payment has become due. Pursuant to Condition 2(b) and subject as provided in the next sentence no principal or Payment will be due by the Issuer if the Issuer is not solvent, would not be solvent or would be subject to a Regulatory Event, if payment of such principal or Payment was made. Also, in the case of any Payment, such Payment will not be due if the Issuer has elected to defer that Payment pursuant to Condition 4(a) or 4(b) or if the circumstances referred to in any of Conditions 6(d) or 6(e) then apply. The Trust Deed contains provisions entitling the Trustee to claim from the Issuer, inter alia, the fees, expenses and liabilities incurred by it in carrying out its duties under the Trust Deed. The restrictions on commencing proceedings described below will not apply to any such claim.*

- (a) If the Issuer shall not make payment in respect of the Capital Securities for a period of 14 days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Trust Deed, and the Capital Securities and the Trustee may, notwithstanding the provisions of paragraph (b) of this Condition 10, institute proceedings in the Netherlands (but not elsewhere) for the winding-up of the Issuer.
- (b) Subject as provided in Condition 9, the Trustee may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed, the Capital Securities (other than for the payment of any principal or satisfaction of any Payments in respect of the Capital Securities, including any payment under Clause 2.6 of the Trust Deed) provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.
- (c) The Trustee shall not be bound to take any of the actions referred to in paragraph (a) or (b) above against the Issuer to enforce the terms of the Trust Deed or the Capital Securities unless (i) it shall have been so requested by an Extraordinary Resolution or in writing by the holders of at least one-fifth in principal amount of the Capital Securities then outstanding and (ii) it shall have been indemnified to its satisfaction.
- (d) No Holder shall be entitled to proceed directly against the Issuer, or to institute proceedings for the winding-up of the Issuer or to prove in such winding-up unless the Trustee, having become so bound to proceed or being able to prove in such winding-up, fails to do so within a reasonable period and such failure shall be continuing, in which case the Holder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise. No remedy against the Issuer shall be available to the Trustee or any Holder (i) for the recovery of amounts owing in respect of the Capital Securities (including any payment under Clause 2.6 of the Trust Deed), other than the institution of proceedings in the Netherlands (but not elsewhere) for the winding-up of the Issuer and/or proving in such winding-up and (ii) for the breach of any other term under the Trust Deed, the Capital Securities other than as provided in paragraph (b) above.

#### **11. Taxation**

All payments by the Issuer of principal, Coupon Amounts, Deferred Coupon Payments, Mandatory Payments, Mandatory Partial Payments, Accrued Coupon Payments and Winding-Up Claims in respect of the Capital Securities will be made without withholding of or deduction for, or on any account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed

or levied by or on behalf of the Netherlands or any political subdivision thereof or by any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by Holders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Capital Securities in the absence of such withholding or deduction, except that no such additional amounts shall be payable in relation to any payment with respect to any Capital Security:

- (i) to, or to a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Capital Security by reason of such Holder or, as the case may be, having some connection with the Netherlands other than the mere holding of such Capital Security; or
- (ii) to, or to a third party on behalf of, a Holder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (iii) to, or to a third party on behalf of, a Holder, that is a partnership, or a Holder, that is not the sole beneficial owner of the Capital Security or which holds the Capital Security in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of an additional amount had each of the members of the partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment; or
- (iv) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Union Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

References in these Terms and Conditions to principal, Coupon Amounts, Deferred Coupon Payments, Mandatory Partial Payments and/or Accrued Coupon Payments shall be deemed to include any additional amounts which may become payable pursuant to the foregoing provisions or any undertakings given in addition thereto or in substitution therefore pursuant to the Trust Deed.

In the event that any payment is satisfied through the issue of Ordinary Shares and Holding Ordinary Shares pursuant to Condition 6, then any additional amounts which are payable shall also be satisfied from the proceeds of the issue of Ordinary Shares and Holding Ordinary Shares.

## **12. Prescription**

Claims for payment in relation to Capital Securities will become void unless exercised within a period of 5 years from the due date thereof.

## **13. Meetings of Holders, Modification, Waiver and Substitution**

The Trust Deed contains provisions for convening meetings of Holders to consider any matter affecting their interests including the modification by Extraordinary Resolution of modification of any of these Terms and Conditions or any of the provisions of the Capital Securities, or the Trust Deed. Any Extraordinary Resolution duly passed shall be binding on all Holders (whether or not they were present at the meeting at which such resolution was passed).

The Trustee may agree, without the consent of the Holders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Holders. Any such modification, authorisation or waiver shall be binding on the Holders and, if the Trustee so requires, such modification shall be notified to the Holders as soon as practicable thereafter in accordance with Condition 16.

As provided in the Trust Deed, the Trustee may agree with the Issuer, without the consent of the Holders to substitution on a subordinated basis equivalent to that referred to in these Terms and Conditions of any holding company of the Issuer, any subsidiary of such holding company, any Subsidiary, any successor in business of the Issuer or any subsidiary of any successor in business of the Issuer (the “**Substituted Issuer**”) in place of the Issuer (or any previous Substituted Issuer under this Condition 13) as a new issuing party under the Trust Deed, the Capital Securities and the Coupons. In connection with any proposed substitution as aforesaid and in connection with the exercise of its functions, the trustee shall have regard to the interests of the Holders as a class and the Trustee shall not have regard to the consequences of such substitution for individual Holders resulting from in particular their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the general interests of the Holders as a class and shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of any particular territory or any political subdivision thereof and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders except to the extent already provided for in Condition 11 and/or any undertaking given in addition thereto or in substitution therefore under the Trust Deed.

#### **14. Replacement of the Global Security**

Should the Global Security, be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (or such other place of which notice shall have been given in accordance with Condition 16) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity and/or as the Issuer may reasonably require. The mutilated or defaced Global Security must be surrendered before any replacement Global Security will be issued.

#### **15. The Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking any action unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, without accounting for any profit resulting therefrom.

#### **16. Notices**

Notices to Holders may be given by the delivery of the relevant notice to Euroclear and Clearstream except for so long as the Capital Securities are listed on Eurolist by Euronext Amsterdam N.V. and the rules of Euronext Amsterdam so require, notices shall also be published in the Euronext Amsterdam Daily Official List (*Officiële Prijscourant*) and a newspaper having general circulation in The

Netherlands most likely to be *Het Financieele Dagblad*. Any such notice shall be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. Any Notice delivered to Euroclear or Clearstream shall be deemed to have been given to the Holders on the day on which such notice is so delivered.

## **17. Further Issues**

The Issuer is at liberty from time to time without the consent of the Holders to create and issue further Capital Securities ranking *pari passu* in all respects (or in all respects save for the date from which interest thereon accrues and the amount of the first payment of interest on such further Capital Securities) and so that the same shall be consolidated and form a single series with the outstanding Capital Securities. Any such Capital Securities shall be constituted by a deed supplemental to the Trust Deed.

## **18. Agents**

The Issuer will procure that there shall at all times be a Calculation Agent and a Principal Paying Agent so long as any Capital Security is outstanding. If either the Calculation Agent or the Principal Paying Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Terms and Conditions or the Calculation Agency Agreement or the Agency Agreement, as appropriate, the Issuer shall appoint, on terms acceptable to the Trustee, an independent investment bank acceptable to the Trustee to act as such in its place. Neither the termination of the appointment of a Calculation Agent or the Principal Paying Agent nor the resignation of either will be effective without a successor having been appointed.

All calculations and determinations made by the Calculation Agent or the Principal Paying Agent in relation to the Capital Securities shall (save in the case of manifest error) be final and binding on the Issuer, the Trustee, the Paying Agents and the Holders. None of the Issuer, the Trustee and the Paying Agents shall have any responsibility to any person for any errors or omissions in any calculation by the Calculation Agent.

## **19. Governing Law and Jurisdiction**

- (a) The Trust Deed and the Capital Securities, are governed by, and shall be construed in accordance with, the laws of the Netherlands.
- (b) The Courts of the Netherlands are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed and the Capital Securities, and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, and the Capital Securities may be brought in such courts.

## **20. Definitions**

In these Terms and Conditions:

“**Accrued Coupon Payment**” means, as at any time, where these Terms and Conditions provide that interest shall continue to accrue after a Coupon Payment Date in respect of a Capital Security the amount of interest accrued thereon in accordance with Conditions 4(b), 5, 6(d) and 6(e);

“**Adjusted Yield**” means 0.55 per cent.;

“**Agency Agreement**” means the agency agreement dated 8 March 2006 between the Issuer, the Trustee and the Paying Agents relating to the Capital Securities under which each Paying Agent agrees to perform the duties required of it under these Terms and Conditions;

**“Applicable Coupon Rate”** means in relation to any Payment deferred pursuant to Condition 4(b) or Condition 6(e), either the Fixed Coupon Rate or Floating Coupon Rate payable on the Capital Securities as determined by the Calculation Agent in accordance with Condition 5(b)(ii) for the Coupon Periods during which such Payment is deferred;

**“Business Day”** means a day, other than a Saturday or Sunday, on which commercial banks and foreign exchange markets are open for general business in Amsterdam;

**“Calculation Agency Agreement”** means the calculation agency agreement dated 8 March 2006 between the Issuer, the Trustee and the Calculation Agent, relating to the Capital Securities under which the Calculation Agent agrees to perform the duties required of it under these Terms and Conditions;

**“Calculation Agent”** means, as calculation agent in relation to the Capital Securities, or its successor or successors for the time being appointed under the Calculation Agency Agreement;

**“Capital Securities”** means the Euro 1,000,000,000 Perpetual Capital Securities, and such expression shall include, unless the context otherwise requires, any further Capital Securities issued pursuant to Condition 17 and forming a single series with the Capital Securities;

**“Comparable Bond Issue”** means the 3.5% German Bundesobligationen due 4 January 2016;

**“Modified Securities”** has the meaning ascribed to it in Condition 7(h);

**“Coupon Amount”** means (i) in respect of a Coupon Payment, the amount of interest payable on a Capital Security for the relevant Coupon Period in accordance with Condition 5 and (ii) for the purposes of Conditions 7(c), 7(d) and 7(e), any interest accrued from (and including) the preceding Coupon Payment Date (or, if none, the Issue Date) to (but excluding) the due date for redemption if not a Coupon Payment Date as provided for in Condition 5(b);

**“Coupon Payment”** means, in respect of a Coupon Payment Date, the aggregate Coupon Amounts for the Coupon Period ending on such Coupon Payment Date;

**“Coupon Payment Date”** means for the period from (and including) the Issue Date on 10 March 2006 to (but excluding) the First Reset Date on 10 March 2016, 10 March in each year, starting 10 March 2007 and thereafter 10 June, 10 September, 10 December and 10 March in each year starting 10 June 2016;

**“Coupon Period”** means the period commencing on (and including) the Issue Date and ending on (but excluding) the first Coupon Payment Date and each successive period commencing on (and including) a Coupon Payment Date and ending on (but excluding) the next succeeding Coupon Payment Date;

**“Coupon Rate”** means either the Fixed Coupon Rate or the prevailing Floating Coupon Rate each as described in Condition 5(b);

**“Deferred Coupon Payment”** means:

- (i) any Payment, or part thereof, which has been deferred in accordance with Condition 4(a) (Mandatory Deferral of Payments) and has not subsequently been either (x) satisfied or (y) deferred in accordance with Condition 4(b) (Optional Deferral of Payments); or
- (ii) any Payment, or part thereof, which, pursuant to Condition 4(b) the Issuer has elected to defer and which has not been satisfied;

**“Deferred Coupon Satisfaction Date”** means:

- (i) with respect to a deferral under Condition 4(a)(i), the Coupon Payment Date following the 19th Business Day after the Mandatory Deferral Condition fails to be met or, if earlier, the date on which the Issuer has resolved to satisfy a Deferred Coupon Payment, as notified by the Issuer to the Trustee, the Holders, the Principal Paying Agent and the Calculation Agent in accordance with Condition 4(a)(ii); or

- (ii) the date on which the Issuer has resolved to satisfy a Deferred Coupon Payment, as notified by the Issuer to the Trustee, the Holders, the Principal Paying Agent and the Calculation Agent in accordance with Condition 4(b); or
- (iii) the date on which the Issuer is required to satisfy all Deferred Coupon Payments pursuant to Condition 4(c);

“**First Reset Date**” means 10 March 2016;

“**Fixed Coupon Rate**” has the meaning ascribed to in Condition 5(b)(i);

“**Fixed Day Count Fraction**” means the actual number of days in the period from and including the date from which interest begins to accrue for the relevant period of calculation (the “**Accrual Date**”) to but excluding the date on which it falls due divided by the actual number of days from and including the Accrual Date to but excluding the next following Coupon Payment Date;

“**Floating Coupon Rate**” has the meaning ascribed to in Condition 5(b)(ii);

“**Holder**” means the bearer of any Capital Security;

“**Holding**” means ABN AMRO Holding N.V.;

“**Holding Ordinary Shares**” means ordinary shares of Holding or depository receipts issued in respect of such Holding Ordinary Shares as the context may require;

“**Interest**” shall, where appropriate, include Coupon Amounts, Deferred Coupon Payments and Accrued Coupon Payments;

“**Interest Determination Date**” means the second Business Day before the commencement of each Coupon Period;

“**Issue Date**” means 10 March 2006, being the date of initial issue of the Capital Securities;

“**Issuer**” means ABN AMRO Bank N.V.;

“**Junior Guarantee**” means any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a Subsidiary or Undertaking and ranking on a winding-up of the Issuer or in respect of distributions or payment of dividends or any other payment thereon equal to the Junior Securities;

“**Junior Securities**” means the Ordinary Shares or any other securities of the Issuer which rank as regards distributions on a return of assets on a winding-up of the Issuer or in respect of distributions or payment of dividends or any other payments thereon equal to the Ordinary Shares;

“**Make Whole Amount**” means an amount equal to the sum of:

- (A) the present value of a payment of the principal amount discounted from the First Reset Date, plus;
- (B) the present value of the Coupon Payments from the date the Capital Securities are redeemed through and including the First Reset Date,

discounted to such redemption date on an annual basis at the Adjusted Yield, which equals the yield to maturity of the Comparable Bond Issue plus a rate of 0.55 per cent. per annum.

the “**Mandatory Deferral Condition**” will be met if, in the determination of the Issuer, on the Relevant Date, the Issuer is, or payment of the relevant Payment by the Issuer will result in the Issuer being subject to a Regulatory Event;

“**Mandatory Partial Payment**” payable on any Coupon Payment Date means a payment in respect of each Capital Security in an amount that results in payment of a proportion of a full Coupon Payment on the Capital Security on such Coupon Payment Date equal to the proportion of a full dividend on the relevant Parity Securities and/or payment on the relevant Parity Guarantee paid on the dividend or

payment date in respect of the relevant Parity Securities and/or Parity Guarantee immediately preceding;

A “**Mandatory Payment Event**” shall occur if any of the following occurs:

- (i) the Issuer declares, pays or distributes a dividend or makes a payment (other than a dividend in the form of Ordinary Shares) on any of its Junior Securities or Parity Securities or makes any payment on a Junior Guarantee;
- (ii) the Holding declares, pays or distributes a dividend or makes a payment (other than a dividend in the form of Holding Ordinary Shares) on any of its Holding Ordinary Shares;
- (iii) the Issuer or any Subsidiary or Undertaking redeems, purchases or otherwise acquires any of the Issuer’s Junior Securities, any Parity Securities or any securities issued by any Subsidiary or Undertaking benefiting from a Junior Guarantee or Parity Guarantee (other than (1) by conversion into or in exchange for Ordinary Shares, (2) in connection with transactions effected by or for the account of customers of the Issuer or any Subsidiary or in connection with the distribution, trading or market making in respect of those securities, (3) in connection with the satisfaction by the Issuer, the Holding or any Subsidiary of its obligations under any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants, (4) as a result of a reclassification of the Issuer or any Subsidiary or the exchange or conversion of one class or series of capital stock for another class or series of capital stock, or (5) the purchase of fractional interests in shares of the capital stock of the Issuer or any Subsidiary pursuant to the conversion or exchange provisions of that capital stock or the security being converted or exchanged) for any consideration, or any moneys are paid to or made available for a sinking fund or for redemption of any of any Junior Securities, Parity Securities or any securities issued by any Subsidiary or Undertaking benefiting from a Junior Guarantee or Parity Guarantee;

A “**Mandatory Partial Payment Event**” shall occur if any of the following occurs:

- (i) the Issuer declares, pays or distributes a dividend or makes a payment on any of its Parity Securities or makes any payment on a Parity Guarantee; or
- (ii) any Subsidiary or Undertaking declares, pays or distributes a dividend on any security issued by it benefiting from a Parity Guarantee or makes a payment on any security issued by it benefiting from a Parity Guarantee;

“**Market Disruption Event**” means (i) the occurrence or existence of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by Euronext Amsterdam or on settlement procedures for transactions in the Holding Ordinary Shares on Euronext Amsterdam) if, in any such case, that suspension or limitation is, in the determination of the Calculation Agent, material in the context of the sale of the Holding Ordinary Shares, or (ii) in the opinion of the Issuer, there has been a substantial deterioration in the price and/or value of the Holding Ordinary Shares or circumstances are such as to prevent or to a material extent restrict the issue or delivery of the Payment Ordinary Shares, or (iii) where, pursuant to these Terms and Conditions, moneys are required to be converted from one currency into another currency in respect of any Payment, the occurrence of any event that makes it impracticable to effect such conversion;

“**Ordinary Shares**” means ordinary shares of the Issuer or depository receipts issued in respect of such Ordinary Shares as the context may require;

“**Outstanding Payment**” means:

- (i) in relation to any Coupon Payment, Deferred Coupon Payment or Coupon Amount not falling within the definition of Coupon Payment, that such payment (a) has either become due and payable or would have become due and payable except for the non-satisfaction on the relevant date of the conditions referred to in Condition 2(b)(i) or the deferral, postponement or

suspension of such payment in accordance with any of Conditions 4(a), 4(b), 6(d) or 6(e) and (b) in any such case has not been satisfied and;

- (ii) in relation to any Accrued Coupon Payment, any amount thereof which has not been satisfied whether or not payment has become due;

**“Parity Securities”** means, in respect of the Issuer any securities of the Issuer which in respect of distributions on a return of assets on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or in respect of distribution or payment of dividends and/or any other amounts thereunder by the Issuer rank *pari passu* with the Capital Securities as regards such distributions or payments;

**“Parity Guarantee”** means any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a Subsidiary or an Undertaking which rank on a winding-up of the Issuer or in respect of distributions or payment of dividends or any other payments thereon *pari passu* with the Capital Securities;

**“Paying Agents”** means the paying agents appointed pursuant to the Agency Agreement and such term shall, unless the context otherwise requires, include the Principal Paying Agent;

**“Payment”** means any Coupon Payment, Deferred Coupon Payment, Accrued Coupon Payment or Coupon Amount not falling within the definition of Coupon Payment;

**“Payment Ordinary Shares”** has the meaning ascribed to it in Condition 6(b);

**“Principal Paying Agent”** means the principal paying agent appointed pursuant to the Agency Agreement;

**“Reference Banks”** means the five major banks in Euro-zone interbank market as selected by the Principal Paying Agent;

**“Regulatory Event”** means that at any Coupon Payment Date, the Issuer’s capital adequacy ratio would after payment of the Coupon Payment, be less than the minimum capital adequacy requirements as applied and enforced by the Dutch Central Bank or any other appropriate regulator;

**“Relevant Date”** means (i) in respect of any payment other than a Winding-Up Claim, the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Principal Paying Agent or the Trustee on or prior to such date, the “Relevant Date” means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Holders in accordance with Condition 16, and (ii) in respect of a Winding-Up Claim, the date which is one day prior to the commencement of the winding-up;

**“Relevant Screen Page”** means the Reuters page EURIBOR01 or such replacement page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying rates or prices comparable to Three Month EURIBOR;

**“Representative Amount”** means an amount that is representative for a single transaction in the relevant market at the relevant time;

**“Reset Date”** means the First Reset Date and each Coupon Payment Date thereafter;

**“Senior Creditors”** means (a) all unsubordinated creditors of the Issuer and (b) all subordinated creditors of the Issuer other than those whose claims rank *pari passu* with or junior to the claims of the holders of the Capital Securities;

**“Subsidiary”** means a subsidiary of the Issuer within the meaning of Section 2:24a of the Dutch Civil Code;

**“Tax Law Change”** has the meaning given to it in Condition 7(c);

**“Three Month EURIBOR”** means in relation to a Coupon Period commencing on any Reset Date, the rate for deposits in euro for a period of three months which appears on the Relevant Screen Page as of

11.00 a.m. Central European Time (or such other time as may be customary for the daily reset of such rate) on the relevant Interest Determination Date. If such rate does not appear on the Relevant Screen Page on the Interest Determination Date for a Coupon Period, then Three Month EURIBOR for the Coupon Period will be determined on the basis of the rates at which deposits in euro are offered by the Reference Banks at approximately 11.00 a.m., Central European Time, on the Interest Determination Date in question to prime banks in the Euro-zone interbank market for a period of three months commencing on the first day of such Coupon Period and in a Representative Amount. The Principal Paying Agent shall request the principal Euro-zone office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided, Three Month EURIBOR for such Coupon Period shall be the arithmetic mean of such quotations.

If fewer than two quotations are provided as requested, Three Month EURIBOR for such Coupon Period shall be the arithmetic mean of the rates quoted by major banks in the Eurozone selected by the Principal Paying Agent, at approximately 11.00 a.m. Central European Time, on the first day of the relevant Coupon Periods for loans in euro to leading Euro-zone banks for a period of three months commencing on the first day of such Coupon Period and in a Representative Amount, except that, if the banks so selected by the Principal Paying Agent are not quoting as mentioned above, the Floating Coupon Rate for such Coupon Period shall be either (i) the Floating Coupon rate in effect for the last preceding Coupon Period to which one of the preceding paragraphs of this definition of Three Month EURIBOR shall have applied or (ii) if none, the Fixed Coupon Rate.

Details of historic Three Month EURIBOR rates can be obtained from Telerate.

“**Trust Deed**” means the trust deed dated 10 March 2006 between the Issuer and the Trustee;

“**Trustee**” means Amsterdamsch Trustee’s Kantoor B.V.;

“**Undertaking**” means a body corporate, partnership, limited partnership, Cooperative or an incorporated association carrying on a trade or business with or without a view to profit in which the Issuer has a direct or indirect financial, commercial or contractual majority interest; and

“**Winding-Up Claim**” has the meaning ascribed to it in Condition 2(b)(ii).

## **USE OF PROCEEDS**

The net proceeds from the Capital Securities will be applied by the Issuer for its general corporate purposes.

## NETHERLANDS TAXATION

### General

The following summary describes the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of the Capital Securities, but does not purport to be a comprehensive description of all Netherlands tax considerations thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Capital Securities.

This summary is based on the tax legislation, published case law, treaties, regulations and published policy, in force as of the date of this Prospectus, though it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not deal with the Modified Securities and does not address the Netherlands tax consequences for:

- (i) holders of Capital Securities holding a substantial interest (*aanmerkelijk belang*) in the Issuer. Generally speaking, a holder of Capital Securities holds a substantial interest in the Issuer, if such holder of Capital Securities, alone or, where such holder is an individual, together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5 percent or more of the total issued capital of the Issuer or of 5 percent or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;
- (ii) pension funds or other entities that are exempt from Netherlands corporate income tax;
- (iii) investment institutions (*fiscale beleggingsinstellingen*).

### Withholding tax

All payments made by the Issuer under the Capital Securities may be made free of withholding or deduction for, or on account of, any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

### Corporate and individual income tax

- (c) Residents of the Netherlands

If a holder is resident or deemed to be resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of its enterprise to which the Capital Securities are attributable, income derived from the Capital Securities and gains realised upon the redemption or disposal of the Capital Securities are generally taxable in the Netherlands.

If an individual holder is resident or deemed to be resident of the Netherlands for Netherlands tax purposes (including the individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Capital Securities and gains realised upon the redemption or disposal of the Capital Securities are taxable at the progressive rates of the Netherlands income tax act 2001, if:

- (i) the holder has an enterprise or an interest in an enterprise, to which enterprise the Capital Securities are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Capital Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Capital Securities, taxable income with regard to the Capital Securities must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. At present, this deemed return on income from savings and investments has been fixed at a rate of 4% of the average of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar as the average exceeds a certain threshold. The average of the individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Capital Securities less the fair market value of certain qualifying liabilities on 1 January and 31 December, divided by two. The fair market value of the Capital Securities will be included as an asset in the individual's yield basis. The deemed return on income from savings and investments of 4% will be taxed at a rate of 30 per cent.

(d) Non-residents of the Netherlands

If a holder is not a resident nor deemed to be a resident of the Netherlands for Netherlands tax purposes (nor has opted to be taxed as a resident of the Netherlands), such holder is not taxable in respect of income derived from the Capital Securities and gains realised upon the redemption or disposal of the Capital Securities, unless:

- (i) the holder has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or a permanent representative the Capital Securities are attributable; or
- (ii) the holder is entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands, other than by way of Capital Securities or through an employment contract, and to which enterprise the Capital Securities are attributable; or
- (iii) the holder is an individual and such income or gains qualify as income from miscellaneous activities in the Netherlands, which include the performance of activities in the Netherlands with respect to the Capital Securities that exceed regular, active portfolio management.

### **Gift and Inheritance taxes**

(e) Residents of the Netherlands

Generally, gift and inheritance taxes will be due in the Netherlands in respect of the acquisition of the Capital Securities by way of a gift by, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death.

A holder of the Netherlands nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax, if he or she has been resident in the Netherlands during the ten years preceding the gift or his or her death. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax if he or she has been resident in the Netherlands at any time during the twelve months preceding the time of the gift. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

(f) Non-residents of the Netherlands

No gift or inheritance taxes will arise in the Netherlands in respect of the acquisition of the Capital Securities by way of gift by, or as a result of the death of, a holder that is neither a resident nor deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax, unless:

- (i) such holder at the time of the gift has, or at the time of his or her death had, an enterprise or an interest in an enterprise that is or was, in whole or in part, carried on through a permanent

establishment or a permanent representative in the Netherlands and to which permanent establishment or a permanent representative, the Capital Securities are or were attributable; or

- (ii) the Capital Securities are or were attributable to the assets of an enterprise that is effectively managed in the Netherlands and the donor is or the deceased was entitled, other than by way of Capital Securities or through an employment contract, to a share in the profits of that enterprise, at the time of the gift or at the time of his or her death; or
- (iii) in the case of a gift of the Capital Securities by a holder that at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such holder dies within 180 days after the date of the gift, while at the time of his or her death being a resident or deemed to be a resident of the Netherlands.

#### **Value added tax**

In general, no value added tax will arise in respect of payments in consideration for the issue of the Capital Securities or in respect of the cash payment made under the Capital Securities, or in respect of a transfer of Capital Securities.

#### **Other taxes and duties**

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Capital Securities.

#### **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from the 1st July, 2005, to provide to the tax authorities of another Member State details of payment of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

Also with effect from 1st July, 2005, a number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States have agreed to adopt similar measures (either provision of information or transitional withholding) (a withholding system in the case of Switzerland) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

## SUBSCRIPTION AND SALE

Under a subscription agreement entered into by the Issuer on 8 March 2006 (the “**Subscription Agreement**”), ABN AMRO Bank N.V. (the “**Lead Manager**”), Banca Akros S.p.A. - Gruppo Banca Popolare di Milano, Banca IMI S.p.A., Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander Central Hispano, S.A., CALYON Corporate and Investment Bank, IXIS Corporate & Investment Bank, Lloyds TSB Bank plc, UniCredit Banca Mobiliare S.p.A and WestLB AG (together with the Lead Manager, the “**Managers**”) have agreed to subscribe for the Capital Securities at the issue price of 100 per cent. The Issuer has agreed to pay to the Managers a combined management, underwriting and selling commission of 0.75 per cent. The Subscription Agreement is subject to termination in certain circumstances prior to payment to the Issuer. Total expenses relating to the admission to trading of the Capital Securities amount to €20,000.

The Issuer expects that the Capital Securities will be admitted to trading on Eurolist by Euronext Amsterdam N.V. with effect from the Issue Date. As the Capital Securities are being issued in global form, all trades will be settled in the applicable clearing systems on their usual basis for secondary market transactions.

Other than the Issue Price of the Capital Securities, each prospective investor shall not be required to pay any expenses to the Issuer in order to subscribe for the Capital Securities. Upon payment of the issue price of the Capital Securities, the Capital Securities are delivered to the investor. The results of the offer are available to the public the day after the Issue Date, in printed form and free of charge, at the office of the Paying Agent.

### United States

The Capital Securities have not been and will not be registered under the US Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver Capital Securities (i) as part of their distribution at any time, and (ii) otherwise until 40 days after the completion of the distribution of the Capital Securities within the United States or to, or for the account or benefit of, US persons, and that it will have sent to each dealer to which it sells Capital Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Capital Securities within the United States or to, or for the account or benefit of US persons. The terms used in the preceding paragraph and in this paragraph have the meaning assigned to them by Regulation S under the Securities Act.

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

In addition, until 40 days after the completion of the distribution of all Capital Securities, an offer or sale of Capital Securities within the United States by any Manager (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Manager has represented and agreed, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Capital Securities to the public in that Relevant Member State except that it may, with effect

from and including the Relevant Implementation Date, make an offer of Capital Securities to the public in that Relevant Member State:

- (a) in the period beginning on the date of publication of a prospectus in relation to those Capital Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000 and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

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

### **United Kingdom**

Each Manager has represented and agreed that:

- (i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (FSMA) with respect to anything done by it in relation to the Capital Securities in, from or otherwise involving the United Kingdom; and
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue of the Capital Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

### **Belgium**

The Prospectus and related documents are not intended to constitute a public offer in Belgium and may not be distributed to the Belgian public. The Belgian Commission for Banking, Finance and Insurance has not reviewed nor approved this (these) document(s) or commented as to its (their) accuracy or adequacy or recommended or endorsed the purchase of Capital Securities.

Each Manager has represented and agreed that it will not:

- (a) offer for sale, sell or market in Belgium such Capital Securities by means of a public offer within the meaning of the Law of 22nd April, 2003 on the public offer of securities; or
- (b) sell Capital Securities to any person qualifying as a consumer within the meaning of Article 1.7° of the Belgian law of 14th July, 1991 on consumer protection and trade practices unless such sale is made in compliance with this law and its implementing regulation.

**General**

Each Manager has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Capital Securities or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Capital Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and neither the Issuer nor any Manager shall have any responsibility therefore.

Neither the Issuer nor any of the Managers represents that the Capital Securities 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.

## GENERAL INFORMATION

### Authorisation

1. The issue of the Capital Securities was duly authorised by a resolution of the Board of Managing Directors of the Issuer dated 10 January 2006.

### Listing

2. Application has been made to list the Capital Securities on Eurolist by Euronext Amsterdam N.V.

### Clearing Systems

3. The Capital Securities have been accepted for clearance through Euroclear (its address being 3 Boulevard de Roi Albert II, B.1210 Brussels, Belgium) and Clearstream (its address being 42 Avenue J.F. Kennedy L-1855 Luxembourg). The ISIN Code for this issue is XS0246487457, the Amsterdam Securities Code (*fondscode*) is 15682 and the Common Code is 024648745.

### No material adverse change

4. There has been no material adverse change in the prospects or financial or trading position of the Issuer since 31 December 2004.

### Use of Proceeds

5. The net proceeds of the issue of the Capital Securities, amounting to approximately EUR 992,500,000 will be applied by the Issuer for its general corporate purposes.

### Website

6. Up to date (investment) information and press releases are freely available for download from the Issuer's website: [www.abnamro.com](http://www.abnamro.com).

### Recent developments

7. On 14 October 2005 the Issuer announced it will further align its organisational structure with the mid-market strategy in order to realise the profitable growth potential of the Issuer's Group. The changes are designed to enhance the service the Group provides to its core mid-market clients. The Issuer's aim is to improve access to its network and its global product capabilities. The new structure, reflecting the mid-market strategy, includes a refined governance model and the appointment of three new Managing Board members. As from 1 January 2006, the Issuer has five client-facing regional BUs, two global Client BUs, two cross-BU segments and three Product BUs. The Issuer has also created a global services organisation, which includes Group Shared Services and the services units in the various BUs. In the new structure Wholesale Clients (WCS) has been unbundled in order to further improve the availability of its global product capabilities to all clients across the Group. The core WCS products now fall under the new BU Global Markets. In line with the Issuer's strategy the BU Global Clients continues to focus on the existing group of multinational clients.'

### Interests of natural and legal persons involved in the issue of the Capital Securities

8. Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Capital Securities has an interest material to the offer.

**Litigation**

9. Neither the Issuer nor any of its subsidiaries are involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer and/or the group's financial position or profitability.

**Document available**

10. Copies of a release dated 2 February 2006 in respect of the year ended 31st December 2005, will be available free of charge from the registered office of the Issuer.

**REGISTERED AND PRINCIPAL OFFICE OF THE ISSUER**

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**PAYING AGENT**

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*To the Lead Manager*

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**SOLE BOOKRUNNER**

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