

BASE PROSPECTUS DATED 7 JULY 2005

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ABN AMRO Bank N.V.

(incorporated in The Netherlands with its statutory seat in Amsterdam)

Programme for the Issuance of Medium Term Notes and Direct Access Notes

Arranger

ABN AMRO

Dealers in respect of Medium Term Notes

ABN AMRO

Citigroup

Lehman Brothers

Merrill Lynch International

UBM-UniCredit Banca Mobiliare

WestLB

This Base Prospectus constitutes, when read together with the Registration Document (as defined below), a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "Prospectus Directive"). This Base Prospectus is issued, in relation to issues of Direct Access Notes, in replacement of a Programme Circular dated 18 June 2004 and, in relation to issues of Medium Term Notes, in replacement of a Prospectus dated 8 October 2004 and, accordingly, supersedes that earlier Programme Circular and Prospectus, respectively.

The contents of this Base Prospectus are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters and prospective investors are recommended to consult their own professional advisers for any advice concerning the acquisition, holding or disposal of any Notes (as defined below).

Before making an investment decision with respect to any Notes, prospective investors should carefully consider all of the information set out in this Base Prospectus and any accompanying documents, as well as their own personal circumstances. Prospective investors should have regard to, among other matters, the considerations described under the section headed “Risk Factors” in this Base Prospectus. This Base Prospectus does not describe all of the risks of an investment in the Notes.

An investment in the Notes is only suitable for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The full terms and conditions of each Tranche of Notes can be reviewed by reading either (a) the master Terms and Conditions as set out in full in this Base Prospectus in the section headed “Terms and Conditions of the Notes”, which constitute the basis of all Notes to be offered under the Programme, together with the Final Terms (as defined below) applicable to the relevant issue of Notes, which applies and/or disappplies, supplements and/or amends the master Terms and Conditions in the manner required to reflect the particular terms and conditions applicable to the relevant Series of Notes (or Tranche thereof) or, in the case of Direct Access Notes only, (b) the relevant English Integrated Conditions (if prepared, and as defined in “Distribution Arrangements in relation to Direct Access Notes – Notice to Residents of Germany”). Copies of the legal documentation relating to the Programme and copies of the Final Terms relating to each issue of Notes are available for inspection as described in the sections headed “Distribution Arrangements in relation to Direct Access Notes” and “General Information” below.

Under this Debt Issuance Programme (the “Programme”), ABN AMRO Bank N.V. (the “Issuer”, which expression shall include any Substituted Debtor (as defined in Condition 16 below)) may from time to time issue Medium Term Notes or Direct Access Notes (together, the “Notes”), which expression shall include Senior Notes and Subordinated Notes (each as defined below)) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below), if any.

Subject as set out herein, the Senior Notes will not be subject to any maximum maturity but will have a minimum maturity of one month.

The Medium Term Notes will be issued on a continuing basis to one or more of the Dealers specified under “Summary of the Programme – Dealers in respect of the Medium Term Notes” and any additional Dealer appointed in respect of Medium Term Notes under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a “Medium Term Notes Dealer” and together the “Medium Term Notes Dealers”). The Direct Access Notes may be issued on a continuing basis by the Issuer to purchasers thereof, which may include any Dealers appointed under the Programme from time to time (each a “Direct Access Notes Dealer”, together the “Direct Access Notes Dealers” and, together with the Medium Term Notes Dealers, each a “Dealer” and together the “Dealers”). The Dealer or Dealers with whom the Issuer agrees or proposes to agree on the issue of any Notes is or are referred to as the “relevant Dealer(s)” in respect of those Notes.

The Notes of each Tranche (as defined below) will (unless otherwise specified in the applicable Final Terms) initially be represented by a Temporary Global Note (as defined below) which will be deposited on the issue date thereof either (i) with a common depositary on behalf of Euroclear Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”) and/or any other agreed clearing system or (ii) with Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (“Euroclear Netherlands”). See “Form of the Notes”.

Application has been made to Euronext Amsterdam for Notes issued under the Programme up to the expiry of 12 months from the date of this Base Prospectus to be admitted to trading on Eurolist by Euronext Amsterdam (“Euronext Amsterdam”). In addition, Notes issued under the Programme may be listed or

admitted to trading, as the case may be, on any other stock exchange or market specified in the applicable Final Terms. The Issuer may also issue unlisted Notes under the Programme.

References in this Programme to Notes being “listed” (and all related references) shall mean that such Notes have been admitted to trading and have been listed on Euronext Amsterdam. Euronext Amsterdam is a regulated market for the purposes of Directive 93/22/EC (the Investment Services Directive).

The Issuer may agree with the relevant Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which case a supplementary prospectus, if required, will be made available which will describe the effect of the agreement reached in relation to such Notes.

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

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set forth in a final terms supplement (the “Final Terms”) which, with respect to Notes to be listed on Euronext Amsterdam, will be delivered to Euronext Amsterdam on or before the date of issue of Notes of such Tranche. There can be no assurance that the Notes offered as described in this Base Prospectus will be sold or that there will be a secondary market for the Notes. See “Risk Factors” below.

This Base Prospectus, which (save as described below) is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference”), has been prepared for use in connection with the Programme.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus, the applicable Final Terms or any document incorporated by reference herein or therein, or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or any Dealer.

This Base Prospectus does not, and is not intended to, constitute an offer to sell or a solicitation of an offer to buy any of the Notes by or on behalf of the Issuer or the Arranger or any Dealer in any jurisdiction in which such offer or solicitation is not authorised or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Neither this Base Prospectus nor any other information supplied in connection with the Programme (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Arranger or any Dealer that any recipient of this Base Prospectus or any other information supplied in connection with the Programme should purchase any Notes. Accordingly, no representation, warranty or undertaking, express or implied, is made by the Arranger or any Dealer in their capacity as such. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme or the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger and any Dealer expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, *inter alia*, the most recent financial statements of ABN AMRO Holding N.V. (“Holding”) when deciding whether or not to purchase any Notes.

The Issuer, the Arranger and any Dealer do not represent that this Base Prospectus may be lawfully distributed, or that Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction other than (in the case of the Direct Access Notes, if so indicated in the

relevant Final Terms) in certain Member States of the European Economic Area (the “EEA”) and Switzerland, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger or any Dealer appointed under the Programme which would permit a public offering of the Notes or distribution of this document in any jurisdiction where action for that purpose is required, other than (in the case of the Direct Access Notes, if so indicated in the relevant Final Terms) in certain Member States of the EEA and Switzerland. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Base Prospectus, together with its attachments, nor any advertisement or other offering material may be distributed or published in any jurisdiction where such distribution and/or publication would be prohibited and each Dealer (if any) will be required to represent that all offers and sales by it will be made on these terms.

The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. See “Subscription and Sale” below.

In connection with the issue and distribution of any Tranche of Notes, the Dealer (if any) disclosed as the stabilising manager in the applicable Final Terms or any person acting for it may over-allot or effect transactions with a view to supporting the market price of the Notes of the Series (as defined below) of which such Tranche forms part at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the stabilising manager or any agent of his to do this. Such stabilising if commenced, may be discontinued at any time and will, in respect of Notes listed on Euronext Amsterdam, in any event be discontinued 30 days after the issue date of the relevant Notes. Such stabilising shall be in compliance with all applicable laws and regulations including, in respect of Notes listed on Euronext Amsterdam, Article 32 of the Further Regulations on Market Conduct Supervision on the Securities Trade 2002 (*Nadere Regeling Gedragstoezicht Effectenverkeer 2002*), as amended, of The Netherlands.

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SUMMARY OF THE PROGRAMME AND TERMS AND CONDITIONS OF THE NOTES

This summary must be read as an introduction to this Base Prospectus and any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area (an “EEA State”) no civil liability will attach to the Responsible Person in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to information contained in this Base Prospectus is brought before a court in 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 Base Prospectus before the legal proceedings are initiated.

Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” below, respectively, shall have the same meanings in this summary.

Issuer: ABN AMRO Bank N.V.

The Issuer is a subsidiary of ABN AMRO Holding N.V. The ABN AMRO group (“ABN AMRO”), which consists of ABN AMRO Holding N.V. 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 €608.6 billion at 31 December 2004. 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 2004. ABN AMRO Holding N.V. 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: Consumer & 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 Notes issued under the Programme. These are set out under “Risk Factors” below and include the fact that the Issuer’s results can be adversely affected by (i) general economic 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 risk, 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 Notes issued under the Programme, see “Risk Factors” in this Base Prospectus.

Description: Debt Issuance Programme for the issuance of Medium Term Notes and Direct Access Notes.

Arranger:	ABN AMRO Bank N.V.
Dealers in respect of the Medium Term Notes:	<p>ABN AMRO Bank N.V. Citigroup Global Markets Limited Lehman Brothers International (Europe) Merrill Lynch International UniCredit Banca Mobiliare S.p.A. WestLB AG and any other Dealers appointed in respect of the Medium Term Notes in accordance with the Programme Agreement</p>
Dealers in respect of the Direct Access Notes:	<p>As at the date of this Base Prospectus, no Dealers have been appointed in respect of the Direct Access Notes under the Programme, and Direct Access Notes to be offered under the Programme will be issued by the Issuer directly to purchasers thereof. One or more Dealers may be appointed in respect of the Direct Access Notes under the Programme in the future pursuant to the Programme Agreement. See “Subscription and Sale”.</p>
Regulatory Matters:	<p>Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “Subscription and Sale” below).</p>
Issuing and Principal Paying Agent:	ABN AMRO Bank N.V.
Dutch Paying Agent:	ABN AMRO Bank N.V.
German Paying Agent in respect of the Direct Access Notes:	J.P. Morgan AG.
Swiss Paying Agent in respect of the Direct Access Notes:	ABN AMRO Bank N.V., acting through its Zurich Branch.
Size:	The Programme amount is unlimited.
Distribution:	<p>Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. The method of distribution of each Tranche will be stated in the applicable Final Terms. See also the section headed “Distribution Arrangements in relation to Direct Access Notes” below for a description of the distribution arrangements relating to Direct Access Notes.</p>
Currencies:	<p>Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer (if any), including, without limitation, Australian dollars, Canadian dollars, euro, Hong Kong dollars, New Zealand dollars, Sterling, Swiss francs, United States dollars and Japanese yen.</p>
Maturities:	<p>Any maturity, subject to applicable laws, regulations and restrictions and subject, in the case of Senior Notes, to a minimum maturity of one month and, in the case of Subordinated Notes, to a minimum maturity of five years.</p>

Issue Price:	Medium Term Notes may be issued on a fully-paid or a partly-paid basis and at any issue price which is at par or at a discount to, or premium over, par. Direct Access Notes may only be issued on a fully-paid basis and may be issued at an issue price which is at par or at a discount to, or premium over, par. Partly-paid Direct Access Notes may not be issued.
Form of Notes:	Each Tranche of Notes will (unless otherwise specified in the applicable Final Terms) initially be represented by a Temporary Global Note which will be deposited on the relevant Issue Date either (i) with a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system or (ii) with Euroclear Netherlands. The Temporary Global Note will be exchangeable as described therein for either a Permanent Global Note (as defined herein) or definitive Notes only on the occurrence of an exchange event as described therein. A Permanent Global Note is exchangeable for definitive Notes only upon the occurrence of an Exchange Event, including, where the issue is subject to TEFRA D selling restrictions, upon certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations, all as described in “Form of the Notes” below. Any interest in a global Note will be transferable only in accordance with the rules and procedures for the time being of either (i) Euroclear, Clearstream, Luxembourg and/or any other agreed clearing system or (ii) Euroclear Netherlands, as appropriate. Definitive Notes to be held in Euroclear Netherlands will be in either K-form or CF-form as described in “Form of the Notes” below.
Fixed Rate Notes:	Fixed interest will be payable on the date or dates specified in the applicable Final Terms and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).
Floating Rate Notes:	<p>Floating Rate Notes will bear interest either at a rate determined on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) or on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service or on such other basis as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).</p> <p>The Margin (if any) relating to such floating rate will be specified in the applicable Final Terms.</p>
Index Linked Notes:	Payments in respect of interest on Index Linked Interest Notes or in respect of principal on Index Linked Redemption Notes will be calculated by reference to such index and/or formula as may be specified in the applicable Final Terms.
Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:	<p>Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer (if any), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be</p>

agreed between the Issuer and the relevant Dealer (if any) (as indicated in the applicable Final Terms).

Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the applicable Final Terms.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount or at par and will not bear interest other than in the case of late payment.
Structured Notes:	The Issuer may from time to time issue structured Notes on terms to be set out in a supplement to this Base Prospectus. Structured Notes may include Notes whose returns are linked to interest rates, inflation rates, foreign exchange rates or other matters.
Redemption:	<p>The applicable Final Terms will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than in specified instalments (see below), if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms.</p> <p>The applicable Final Terms may provide that Notes may be repayable in two or more instalments of such amounts and on such dates as indicated in it.</p>
Denomination of Notes:	Notes will be issued in such denominations as may be specified in the applicable Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.
Taxation:	Payments in respect of the Notes will as specified in the applicable Final Terms be made either subject to withholding of applicable Dutch taxes (if any) or without withholding or deduction for or on account of taxes levied in The Netherlands, subject to certain exceptions as provided in Condition 7. If the applicable Final Terms provides that payments are to be made subject to withholding of applicable Dutch taxes (if any), it will also specify that Condition 6(b) will not apply to the Notes.
Negative Pledge:	None.
Cross Default:	None.
Status of the Senior Notes:	The Senior Notes will constitute unsecured and unsubordinated obligations of the Issuer and will rank <i>pari passu</i> without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory provisions of law.
Status and Characteristics relating to Subordinated Notes:	The Subordinated Notes will constitute unsecured obligations of the Issuer and will rank <i>pari passu</i> without any preference among themselves and

with all other present and future unsecured and subordinated obligations of the Issuer, save for those preferred by mandatory provisions of law.

The claims of the holders of the Subordinated Notes of each Series (the “Subordinated Holders”) against the Issuer will:

- (i) in the event of the liquidation or bankruptcy of the Issuer; or
- (ii) in the event that a competent court has declared that the Issuer is in a situation which requires special measures (“*bijzondere voorziening*”) in the interests of all creditors, as referred to in Chapter X of the Dutch 1992 Act on the Supervision of the Credit System (*Wet toezicht kredietwezen 1992*), and for so long as such situation is in force (such situation being hereinafter referred to as a “Moratorium”),

be subordinated to (a) the claims of depositors, (b) unsubordinated claims with respect to the repayment of borrowed money and (c) other unsubordinated claims.

By virtue of such subordination, payments to a Subordinated Holder will, in the event of liquidation or bankruptcy of the Issuer or in the event of a Moratorium with respect to the Issuer, only be made after, and any set-off by a Subordinated Holder shall be excluded until, all obligations of the Issuer resulting from deposits, unsubordinated claims with respect to the repayment of borrowed money and other unsubordinated claims have been satisfied.

For the purposes of the solvency guidelines of the Dutch Central Bank (“*De Nederlandsche Bank N.V.*”) to which the Issuer is subject, Subordinated Notes may qualify as either tier 2 capital (“Tier 2 Notes”) or tier 3 capital (“Tier 3 Notes”), as referred to in such solvency guidelines.

Listing and admission to trading:

Application has been made to Euronext Amsterdam for the Notes to be issued under the Programme to be admitted to trading and listed on Euronext Amsterdam. The Notes may also be listed on such other or further stock exchange or stock exchanges as may be agreed between the Issuer and the relevant Dealer (if any) in relation to each issue. Unlisted Notes may also be issued. The applicable Final Terms will state whether or not the Notes are to be listed or admitted to trading, as the case may be, and, if so, on which exchanges and/or markets.

If a Substituted Debtor is appointed, a new prospectus describing that company shall be published in accordance with the Prospectus Directive.

Governing Law:

The Medium Term Notes will be governed by, and construed in accordance with, the laws of The Netherlands.

The Direct Access Notes will be governed by, and construed in accordance with, the laws of England, except that Condition 3, Condition 4(e) and Condition 6(j) shall be governed by, and construed in accordance with, the laws of The Netherlands.

Selling Restrictions:

There are selling restrictions in relation to the United States, the European Economic Area (including the United Kingdom, The Netherlands, Germany, the Republic of Italy and France) and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See “Subscription and Sale” below.

RISK FACTORS

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

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.

Words and expressions defined in the sections headed "Form of the Notes" and "Terms and Conditions of the Notes" below shall have the same meaning in this section.

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

Each potential investor in the Notes should refer to the Risk Factors section of the Registration Document for a description of those factors which may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

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

The Notes may not be a suitable investment for all investors

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "Relevant Factor"). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Prospective investors should be aware that:

- (i) the market price of such Notes may be very volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Variable Rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Issues of Subordinated Notes; limited rights to accelerate

The Issuer may issue Notes under the Programme which are subordinated to the extent described in Condition 3. Any such Subordinated Notes will constitute unsecured obligations of the Issuer and will rank *pari passu* without any preference among themselves and with all other present and future unsecured and subordinated obligations of the Issuer, save for those preferred by mandatory provisions of law. In the event of liquidation or bankruptcy of the Issuer or in the event of a Moratorium (as defined in Condition 3) with respect to the Issuer, the claims of the holders of the Subordinated Notes against the Issuer will be subordinated to (a) the claims of depositors, (b) unsubordinated claims with respect to the repayment of borrowed money and (c) other unsubordinated claims. By virtue of such subordination, payments to a Subordinated Holder will, in the event of liquidation or bankruptcy of the Issuer or in the event of a Moratorium with respect to the Issuer, only be made after, and any set-off by a Subordinated Holder shall be excluded until, all obligations of the Issuer resulting from deposits, unsubordinated claims with respect to the repayment of borrowed money and other unsubordinated claims have been satisfied. A Subordinated Holder may therefore recover less than the holders of deposit liabilities or the holders of other unsubordinated liabilities of the Issuer. Furthermore, the Conditions do not limit the amount of the liabilities ranking senior to any Subordinated Notes which may be incurred or assumed by the Issuer from time to time, whether before or after the issue date of the relevant Subordinated Notes.

In addition, the rights of Holders of Subordinated Notes are limited in certain respects. In particular, (i) redemption of Subordinated Notes pursuant to Conditions 6(b), (c) or (d) may only be effected after the Issuer has obtained the written consent of De Nederlandsche Bank N.V., and (ii) the Issuer must obtain the

prior written consent of De Nederlandsche Bank N.V. before effecting any repayment of Subordinated Notes following an event of default. See Conditions 6(e) and 9 for further details.

Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

Under certain conditions, interest payments under Tier 3 Notes must be deferred.

Interest on Tier 3 Notes will not be payable on any interest payment date if and to the extent that at the time of, or as a result of such payment the Issuer's actual Own Funds (as defined in Condition 4(e)) would amount to less than 100 per cent. of the Issuer's required minimum amount of Own Funds under the Solvency Guidelines (as defined in Condition 3). Any interest in respect of the Tier 3 Notes not paid on an interest payment date on which such interest would otherwise be payable will constitute arrears of interest ("Arrears of Interest") and will become payable and will be paid by the Issuer as soon as and to the extent that the Issuer will, after such payment has been made, meet the solvency test referred to in the previous sentence. Any Arrears of Interest will also become fully payable on the date of the dissolution of the Issuer, the date on which the Issuer is declared bankrupt or the date on which a moratorium resulting from the application of emergency measures as referred to in Chapter X of the Dutch 1992 Act on the Supervision of the Credit System (*Wet toezicht kredietwezen 1992*) is declared in respect of the Issuer. Where any amount of interest or Arrears of Interest is not paid in full, each part payment shall be made pro rata to the Tier 3 Noteholders of the relevant Series and shall be in respect of the interest accrued furthest from the date of payment. Any Arrears of Interest shall not themselves bear interest.

Any deferral of interest payments will likely have an adverse effect on the market price of the Tier 3 Notes. In addition, as a result of the interest deferral provision of the Tier 3 Notes, the market price of the Tier 3 Notes may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

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

The conditions of the Notes also provide that the Agent may, without the consent of Noteholders, agree to (i) any modification (not being a modification requiring the approval of a meeting of Noteholders) of any of the provisions of Notes which is not materially prejudicial to the interests of the Noteholders or (ii) any modification of the Notes which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 16 of the conditions of the Notes.

EU Savings Tax Directive

If, following implementation of the Directive on the taxation of savings income (see "Taxation – Eu Savings Tax Directive" below), a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent following implementation of the Directive, the Issuer will be required

to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

Tax consequences of holding the Notes

Potential investors should consider the tax consequences of investing in the Notes and consult their tax adviser about their own tax situation. See also “Taxation”.

Notes held in global form

The Notes will initially be held by a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg or by Euroclear Netherlands, in each case in the form of a global Note which will be exchangeable for definitive Notes in limited circumstances as more fully described in the section headed “Form of the Notes” below. For as long as any Notes are represented by a global Note held by a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg, payments of principal, interest (if any) and any other amounts on a global Note will be made through Euroclear and/or Clearstream, Luxembourg (as the case may be) against presentation or surrender (as the case may be) of the relevant global Note and, in the case of a Temporary Global Note, certification as to non-U.S. beneficial ownership. The bearer of the relevant global Note, being the common depositary for Euroclear and/or Clearstream, Luxembourg or Euroclear Netherlands, shall be treated by the Issuer and any Paying Agent as the sole holder of the relevant Notes represented by such global Note with respect to the payment of principal, interest (if any) and any other amounts payable in respect of the Notes.

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

Nominee Arrangements

Where, in the case of an issue of Direct Access Notes, a Selling Agent (as defined under the section headed “Distribution Arrangements in relation to Direct Access Notes” below) and/or, in the case of either an issue of Medium Term Notes or Direct Access Notes, a nominee service provider is used by an investor to hold the relevant Notes or such investor holds interests in any Series of Notes through accounts with a clearing system (such as Euroclear, Clearstream, Luxembourg or Euroclear Netherlands), such investor will receive payments in respect of principal, interest, (if any) or any other amounts due, as applicable, solely on the basis of the arrangements entered into by the investor with the relevant Selling Agent, nominee service provider or clearing system, as the case may be. Furthermore, such investor must rely on the relevant Selling Agent, nominee service provider or clearing system to distribute all payments attributable to the relevant Notes which are received from the Issuer. Accordingly, such an investor will be exposed to the credit risk of, and default risk in respect of, the relevant Selling Agent, nominee service provider or clearing system, as well as the Issuer.

For the purposes of (a) distributing any notices to Noteholders, and (b) recognising Noteholders for the purposes of attending and/or voting at any meetings of Noteholders, the Issuer will recognise as Noteholders only those persons who are at any time shown as accountholders in the records of Euroclear and/or Clearstream, Luxembourg or Euroclear Netherlands as persons holding a principal amount of the relevant Series of Notes. Accordingly, an investor must rely upon the Selling Agent, in the case of an issue of Direct Access Notes, or nominee service provider which is the accountholder with the relevant clearing system through which the investor made arrangements to invest in the Notes (and, if applicable, the domestic clearing system through which the Notes are held), to forward notices received by it from Euroclear and/or Clearstream, Luxembourg or Euroclear Netherlands and to return the investor’s voting instructions or voting certificate application to Euroclear and/or Clearstream, Luxembourg or Euroclear Netherlands. Accordingly, such an investor will be exposed to the risk that the relevant Selling Agent, in the case of an issue of Direct Access Notes, nominee service provider or clearing system may fail to pass on the relevant notice to, or fail to take relevant instructions from, the investor.

In addition, such a Noteholder will only be able to sell any Note held by it prior to its stated maturity date with the assistance of the relevant Selling Agent or nominee service provider.

None of the Issuer, the Arranger, any Dealer to be appointed under the Programme or the Agent shall be responsible for the acts or omissions of any relevant Selling Agent, nominee service provider or clearing system nor makes any representation or warranty, express or implied, as to the services provided by any relevant Selling Agent, nominee service provider or clearing system.

Base Prospectus to be read together with applicable Final Terms

The terms and conditions of the Notes included in this Base Prospectus apply to the different types of Notes which may be issued under the Programme. The full terms and conditions applicable to each Tranche of Notes can be reviewed by reading either (a) the master Terms and Conditions as set out in full in this Base Prospectus in the section headed “Terms and Conditions of the Notes”, which constitute the basis of all Notes to be offered under the Programme, together with the relevant Final Terms which applies and/or disappplies, supplements and/or amends the master Terms and Conditions of the Programme in the manner required to reflect the particular terms and conditions applicable to the relevant Series of Notes (or Tranche thereof) or, in the case of an issue of Direct Access Notes only, (b) the relevant English Integrated Conditions (if prepared, and as defined in “Distribution Arrangements in relation to Direct Access Notes—Notice to Residents of Germany”). Copies of the legal documentation relating to the Programme and copies of the Final Terms relating to each issue of Notes are available for inspection as described in “General Information” and “Distribution Arrangements in relation to Direct Access Notes” below.

Change of law and jurisdiction

The conditions of the Medium Term Notes and, in the case of any issue of Subordinated Direct Access Notes, Condition 3, Condition 4(e) and Condition 6(j) of such Direct Access Notes, are based on Dutch law in effect as at the date of this Base Prospectus. Subject to the previous sentence, the Conditions of the Direct Access Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible change to Dutch or English law, as the case may be, or administrative practice after the date of this Base Prospectus.

Prospective investors should note that the courts of the Netherlands shall have jurisdiction in respect of any disputes involving any Series of Medium Term Notes. Prospective investors should note that the courts of England shall have jurisdiction in respect of any disputes involving any Series of Direct Access Notes. In either case, Noteholders may take any suit, action or proceedings arising out of or in connection with the Notes against the Issuer in any court of competent jurisdiction. English law and the laws of the Netherlands may be materially different from the equivalent law in the home jurisdiction of prospective investors in its application to the Notes.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

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

Interest rate risks

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

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Return on an investment in Notes will be affected by charges incurred by investors

An investor's total return on an investment in any Notes will be affected by the level of fees charged by the Selling Agent (in the case of an investment in Direct Access Notes), nominee service provider and/or clearing system used by the investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of Notes, custody services and on payments of interest, principal and other amounts. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the relevant Notes.

Legal investment considerations may restrict certain investments

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

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) (the “Competent Authority”) shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (a) Holding’s publicly available consolidated audited annual financial statements for the years ended 31 December 2004 and 31 December 2003;
- (b) Holding’s unaudited consolidated interim financial statements for the three months ended 31 March 2005; and
- (c) the Issuer’s registration document dated 1 July 2005 (the “Registration Document”) prepared in accordance with Article 5(3) of the Prospectus Directive.

Copies of the documents incorporated by reference in this Base Prospectus can be obtained from the Issuer and Agents.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new base prospectus for use in connection with any subsequent issue of Notes. If the terms of this Programme are modified or amended in a manner which would make this Base Prospectus, as supplemented, inaccurate or misleading, a new base prospectus will be prepared.

This Base Prospectus and any supplement will be valid for listing Notes on Euronext Amsterdam and/or any other exchange in an unlimited aggregate nominal amount.

DISTRIBUTION ARRANGEMENTS IN RELATION TO DIRECT ACCESS NOTES

The Programme is designed to enable the Issuer to offer Direct Access Notes under the Programme to, among others, retail investors in a number of European countries. Direct Access Notes may also be offered under the Programme on a private placement basis. Words and expressions defined in the sections headed “Form of the Notes” and “Terms and Conditions of the Notes” below shall have the same meaning in this section.

Neither this Base Prospectus nor any other document distributed in connection with the Programme constitutes an offer to sell to, or the solicitation of an offer to buy any Direct Access Notes from, any person in any jurisdiction in which it is unlawful to make such offer or solicitation. The distribution of this Base Prospectus and any other document or related marketing materials prepared in connection with the Programme, may be restricted by law in certain jurisdictions. Accordingly, no Direct Access Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material or document may be distributed or published, in any jurisdiction, where such sale, distribution and/or publication would be prohibited. Persons into whose possession this Base Prospectus, Direct Access Notes or other document may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus or other document and the offering and sale of any Direct Access Notes. Neither this Base Prospectus nor any other information or document supplied in connection with the Direct Access Notes or the Programme constitutes an offer or invitation by or on behalf of the Issuer, the Arranger or any Dealer appointed under the Programme to any person to subscribe for or to purchase any of the Direct Access Notes.

Prospective investors should inform themselves as to the legal requirements to invest in Direct Access Notes, and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

Minimum subscription amount

The minimum principal amount of Direct Access Notes of a particular Tranche for which a prospective investor may apply shall be an amount equivalent to the smallest Specified Denomination in respect of that Tranche. The Specified Denominations of the Direct Access Notes of each Tranche will be agreed between the Issuer and the relevant Dealer (if any) and specified in the applicable Final Terms. As at the date of this document, the Issuer envisages that the smallest Specified Denomination of Direct Access Notes will be not less than £1,000, U.S.\$2,000, €1,000 or the equivalent of €1,000 in any other currency.

Offer periods

If Direct Access Notes are to be offered to the public in any country, the period during which applications may be made for the Direct Access Notes of each Tranche will be set out in the applicable Final Terms and any associated marketing materials.

A typical two week timetable for a public offer and issue of a Tranche of Direct Access Notes is set out below. The offer period and Issue Date in respect of each Tranche of Direct Access Notes will be agreed between the Issuer and the relevant Dealer (if any) and specified in the applicable Final Terms.

Monday/Tuesday	Friday	Thursday (the “Issue Date”)
Offer opens	Offer closes	Direct Access Notes are issued and settlement occurs

On the Tuesday of the second week of each offer period, the final aggregate principal amount of the relevant Tranche is announced to the public by means of publishing a notice either in certain newspapers (which are expected to be *Het Financieele Dagblad* (in the Netherlands) and *Financial Times Deutschland* (in Germany)), and in any other newspaper that the Issuer deems appropriate) or on the website of the Issuer.

The Issuer reserves the right, in its sole and absolute discretion, following consultation with the relevant Dealer (if any) where practical, to terminate an offer period in respect of any proposed issue of

Direct Access Notes at any time prior to the advertised end of the relevant offer period or to extend the same (including, without limitation to the generality of the foregoing, where a supplement to this Base Prospectus has been prepared by the Issuer in accordance with Article 16 of the Prospectus Directive and that supplement has not, by the relevant time, been approved by the Netherlands Authority for the Financial Markets the Competent Authority or published by the Issuer in accordance with the Prospectus Directive). Furthermore, the Issuer shall be under no obligation to issue any proposed Tranche of Direct Access Notes until an agreement to such effect is concluded between the Issuer and the relevant Dealer (if any) following the end of the applicable offer period.

Cancellation of offer of Direct Access Notes

If Direct Access Notes are to be offered to the public in any country, the Issuer reserves the right, in its sole and absolute discretion, to accept offers to purchase Direct Access Notes of each Tranche and may reject any application for Direct Access Notes in whole or in part. The relevant Dealer (if appointed in connection with a particular issue of Direct Access Notes) has the right, in its reasonable discretion, to reject any application for Direct Access Notes in whole or in part. The Issuer may withdraw, cancel or modify the offer of any Tranche of Direct Access Notes without notice. In the event that Direct Access Notes of a particular Tranche are not issued, no subscription monies shall be payable by prospective investors to the Issuer (either directly or indirectly through a Selling Agent) in respect of such Direct Access Notes. Prospective investors should contact their Selling Agent of choice for details of the arrangements for the return of application monies in such circumstances. Neither the Issuer nor the relevant Dealer shall have any responsibility for or liability arising out of the relationship between prospective investors and their respective Selling Agents, Intermediaries (as defined below) and clearing system operators, including, without limitation, in respect of arrangements concerning the return of monies by such persons to their clients.

Application procedure

In the case of Direct Access Notes offered to the public in any country, applications for Direct Access Notes may be made by a prospective purchaser through any broker, financial adviser, banker, financial intermediary or other agent, including a Dealer (if any) (each a “Selling Agent”). Prospective purchasers may obtain further information from www.eurodans.com, the Paying Agent in their jurisdiction and the specified office of the Amsterdam Listing Agent. Pursuant to anti-money laundering regulations, prospective purchasers who are not an existing client of a Selling Agent may be required by their Selling Agent of choice to complete an anti-money laundering form and to provide further evidence of identification in advance of applying for any Direct Access Notes.

Each prospective purchaser should ascertain from its Selling Agent of choice when that Selling Agent will require receipt of cleared funds from its clients in respect of applications for a particular Tranche of Direct Access Notes and the manner in which payment should be made to the Selling Agent. Each Selling Agent may impose different arrangements relating to the purchase of a Tranche of Notes and prospective investors should contact the Selling Agents directly for information concerning such arrangements. Applicants for Direct Access Notes who arrange to purchase Direct Access Notes through a Selling Agent should note that in doing so they are assuming the credit risk of the relevant Intermediary (see “Risk Factors”), and that such arrangements will be subject to the applicable terms and conditions of the relevant Selling Agent.

Scaling back arrangements

In the case of Direct Access Notes offered to the public in any country, it may be necessary to scale back applications for a particular Tranche of Direct Access Notes. The Issuer therefore reserves the right, in its absolute discretion, following consultation with the relevant Dealer (if any) to the extent practical in the circumstances, to decline in whole or in part an application for any Tranche of Direct Access Notes. Accordingly, an applicant for a particular Tranche of Direct Access Notes may, in certain circumstances, not be issued the number of (or any) Direct Access Notes for which it has applied.

If the designated number of Direct Access Notes issued for any particular Tranche is oversubscribed, the Issuer and/or the relevant Selling Agent(s) may offer applicants for such oversubscribed Tranche Direct

Access Notes of any other Tranche which are available for subscription at that time. Applicants who are offered Direct Access Notes of a Tranche for which they did not initially apply will not be obliged to accept any such Direct Access Notes. Prospective investors should contact their Selling Agent of choice for details of the arrangements for the return of application monies in such circumstances.

Settlement

Subject to the cancellation of any proposed issue of Direct Access Notes, each Tranche of Direct Access Notes will be issued by the Issuer on the Issue Date specified in the applicable Final Terms. The Direct Access Notes of each Tranche will initially be credited on the relevant Issue Date to the account(s) of the relevant Dealer (if any) and/or Selling Agent(s) in respect of that Tranche held with Euroclear and/or Clearstream, Luxembourg or Euroclear Netherlands against payment to the Issuer of the net proceeds of that Tranche of Direct Access Notes. The relevant Dealer (if any) and/or Selling Agent(s) participating in each Tranche of Direct Access Notes will arrange for the relevant Direct Access Notes to be credited to the accounts of their institutional customers (which may be other brokers, financial intermediaries or institutions (together, “Intermediaries”)) which are held at Euroclear and/or Clearstream, Luxembourg or Euroclear Netherlands. It is anticipated that Dealers and/or Selling Agents may also make arrangements for Direct Access Notes to be credited to accounts held by Intermediaries at other domestic clearing systems, such as the systems operated by SIS SegaInterSettle AG (“SegaInterSettle”) and Clearstream Banking AG (“Clearstream AG”). However, there is no obligation on any Dealer or Selling Agent to make any such arrangements and prospective investors should confirm such matters with respect to each Tranche of Direct Access Notes with their Selling Agent of choice. References in this document to “Clearing System” shall, unless the context otherwise requires, be deemed to include references to Euroclear, Clearstream, Luxembourg, Euroclear Netherlands and/or any other agreed clearing system. See the section headed “Settlement, Clearance and Custody” below for a more detailed description of these arrangements.

Fees and commissions

Prospective investors should obtain from their Selling Agent of choice full details of any fees and commissions payable by investors in respect of the Direct Access Notes. Some or all of the commissions receivable by the Selling Agents involved in any particular issue of Direct Access Notes will be achieved by selling the Direct Access Notes to end investors at the applicable Issue Price and purchasing the Direct Access Notes from the Issuer and/or the relevant Dealer (if any) at a discount to the applicable Issue Price. The relevant Dealer (if any) involved in any issue of Direct Access Notes will, to the extent that it does not sell Direct Access Notes directly to retail investors, obtain its commissions by subscribing for the Direct Access Notes at a greater discount than the discount at which it sells the Direct Access Notes to the Intermediaries (including Selling Agents) which place orders with it.

Selling Agents or their agents or nominees who maintain accounts with one or more Clearing Systems may incur fees normally payable in respect of the maintenance and operation of accounts in such Clearing Systems and may, directly or indirectly, pass some or all of these fees on to their customers. See the section headed “Settlement, Clearance and Custody” below for a more detailed description of these arrangements.

Restrictions on resale of the Notes

The Direct Access Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”). The Direct Access Notes will be issued in bearer form and certain of the Direct Access Notes are subject to United States tax law requirements. Subject to certain exceptions, the Direct Access Notes may not be offered, sold or delivered directly or indirectly, in the United States or to any U.S. person (as such terms are defined in Regulation S under the Securities Act). Any holder of Direct Access Notes intending to become a U.S. person is required to transfer his Direct Access Notes prior to becoming such a person.

There can be no assurance that a secondary market will develop in any Series of Direct Access Notes. See “Risk Factors” above.

NOTICE TO RESIDENTS OF GERMANY

General

The Issuer expects that any public offer and sale of Direct Access Notes in Germany will be made using integrated terms and conditions in the English and German languages (the “Integrated Conditions”). It is expected that the German Integrated Conditions will be a non-legally binding German language translation of the terms and conditions applicable to each particular Series of Direct Access Notes (the “Conditions”), such Conditions being constituted by the English Integrated Conditions (which will reflect the Terms and Conditions set out in this Base Prospectus as completed and supplemented by the provisions of the applicable Final Terms).

If Direct Access Notes are to be offered to the public in Germany, it is envisaged that for the purposes thereof a German Residents’ information document will be published containing the following information:

- (i) the applicable Final Terms; and
- (ii) the English and German Integrated Conditions applicable to the relevant Series of Direct Access Notes.

Binding version

Unless otherwise agreed between the Issuer and the relevant Dealer (if any), the legally binding version of the Conditions of a Series of Direct Access Notes will be the Conditions constituted by the Terms and Conditions set out in this Base Prospectus as completed and supplemented by the provisions of the applicable Final Terms (in substantially the form set out in this Base Prospectus) or, in the case of any public offer and sale of Direct Access Notes in Germany, the English Integrated Conditions. The German Integrated Conditions (in the German language and if prepared as described above) are provided in the German language as a reading version for information purposes only.

Documents available

If Direct Access Notes are offered and sold to the public in Germany, (i) those documents listed as being available under the section headed “General Information” below and (ii) a copy of the applicable German Residents information document will, when published, be available during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) from the specified office of the German Paying Agent (as described below) and at the offices of the Issuer at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands and copies may be obtained from the offices of the German Paying Agent at the address specified below.

The German Paying Agent in respect of Direct Access Notes is: J.P. Morgan AG of Junghofstrasse 14, 60311 Frankfurt am Main, Germany.

NOTICE TO RESIDENTS OF THE NETHERLANDS

Copies of the documents listed under the section headed “General Information” below will, when published, be available free of charge during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the [registered office of the Issuer and from the specified office of the Amsterdam Listing Agent and at the offices of Issuer at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands and copies may be obtained at the offices of the Amsterdam Listing Agent at the address specified below.

The Amsterdam Listing Agent is: ABN AMRO Bank N.V., Gustav Mahlerlaan 10 HQ 6032, 1082 PP Amsterdam, The Netherlands.

SETTLEMENT, CLEARANCE AND CUSTODY

The following is a summary of the settlement, clearance and custody arrangements for the Notes.

The Issuer shall not be liable for the failure of (a) Euroclear or Clearstream, Luxembourg to pay any accountholder, and (b) any accountholder to pay the ultimate investors on whose behalf they act as nominee or custodian (whether via an Intermediary or otherwise), once payment has been made by, or on behalf of, the Issuer to Euroclear and/or Clearstream, Luxembourg. See the section headed “Risk Factors” above.

Holding of the Notes through a clearing system: Settlement and clearance of the Notes within Euroclear and Clearstream, Luxembourg

The Notes of each Series are to be held through Euroclear and Clearstream, Luxembourg or Euroclear Netherlands, three large international clearing systems for securities.

Clearstream, Luxembourg: Clearstream, Luxembourg has advised that it is incorporated under the laws of the Grand Duchy of Luxembourg as a professional depositary. As a professional depositary, Clearstream, Luxembourg is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (CSSF).

Euroclear: Euroclear has advised that it was created in 1968 to hold securities for its participants and to settle transactions between its participants. Euroclear is operated by Euroclear Bank S.A./N.V. (the “Euroclear Operator”), under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation. All operations are conducted by the Euroclear Operator and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator. Euroclear has advised that it is licensed by the Belgian Banking and Finance Commission to carry out banking activities on a global basis. As a Belgian bank, it is regulated and examined by the Belgian Banking Commission. Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the “Terms”). The Terms govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific securities clearance accounts. The Euroclear Operator acts under the Terms only on behalf of Euroclear participants, and has no record of or relationship with persons holding through Euroclear participants.

Euroclear Netherlands: Euroclear Netherlands has advised as follows. Euroclear Netherlands is the business name for the Dutch Central Securities Depository, the Nederlands Centraal Instituut voor Giraal Effectenverkeer BV, formerly known as NECIGEF. In May 2002, NECIGEF merged with Euroclear. Euroclear Netherlands’ securities settlement system is the SEF (*Systeem Effecten*) which provides real-time settlement services for capital and money market paper. In addition to its real-time settlement services, Euroclear Netherlands offers custody and securities administration services and manages giro-based securities traffic on behalf of its clients, as defined under the Dutch Giro Securities Transfer Act (“*Wet giraal effectenverkeer*”), including (i) the registration of master data (stock classes and contacts); (ii) account administration (holdings and clients); and (iii) transactions settlement (giro-based securities traffic and management). Membership of Euroclear Netherlands is available to credit institutions and, as far as money market paper is concerned, non-credit institutions. Euroclear Netherlands takes into its custody equities, warrants, commercial and government bonds and commercial and government money market paper. Euroclear Netherlands accepts securities in bearer form (bearer certificates and global notes) and in registered form.

Custodial and depositary links have been established with Euroclear, Clearstream, Luxembourg and Euroclear Netherlands to facilitate the initial issue and settlement of the Notes and cross-market transfers of the Notes associated with secondary trading. Euroclear, Clearstream, Luxembourg and Euroclear Netherlands each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Interests in Notes will be held through financial

institutions, such as the Selling Agents, as direct and indirect participants in Euroclear, Clearstream, Luxembourg or Euroclear Netherlands. Euroclear, Clearstream, Luxembourg or Euroclear Netherlands, as the case may be, and every other intermediate holder in the chain to the ultimate economic ownership of book-entry interests in the global Notes, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the relevant Notes.

The Issuer will not impose any fees in respect of the Notes. However, holders of book-entry interests in the global Notes may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear, Clearstream, Luxembourg or Euroclear Netherlands. The Selling Agents (in respect of Direct Access Notes) or other Intermediaries may charge investors a fee for providing such nominee and other services, as further described under “Custody arrangements” below.

Prospective investors should note that they may be required to bear certain fees and charges for custodial, nominee, transfer and clearing services charged by the relevant Clearing System(s) and/or the relevant Selling Agent and/or any other relevant Intermediary for the holding, transfer or redemption of the Notes. Prospective investors in Direct Access Notes should contact the Selling Agents, and prospective investors of Medium Term Notes should contact the relevant Intermediary, for further details of these fees and charges.

Selling the Notes: Trading in Euroclear, Clearstream, Luxembourg and Euroclear Netherlands

Secondary market sales of book-entry interests in the global Notes will be conducted in accordance with the normal rules and operating procedures of Euroclear, Clearstream, Luxembourg and Euroclear Netherlands. Euroclear, Clearstream, Luxembourg and Euroclear Netherlands are under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Arranger, any Dealer, the Agent, the Selling Agents (in respect of Direct Access Notes) or any Intermediaries will have any responsibility for the performance by Euroclear, Clearstream, Luxembourg or Euroclear Netherlands or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

Holding and selling the Notes through a clearing system other than Euroclear, Clearstream, Luxembourg or Euroclear Netherlands

In respect of certain issues of Direct Access Notes, certain Selling Agents may arrange to hold interests in the relevant global Notes through an account held by the Selling Agent or another Intermediary with a domestic clearing system such as SegInterSettle, Clearstream Banking AG, Frankfurt or Clearstream AG. In such instances the relevant domestic clearing system will have a securities clearance account with Euroclear, Clearstream, Luxembourg or Euroclear Netherlands (as the case may be) enabling the Selling Agent or Intermediary, as applicable, to be an indirect participant in Euroclear or Clearstream, Luxembourg or Euroclear Netherlands (as the case may be).

Secondary market sales of interests in the global Notes may be conducted in accordance with the normal rules and operating procedures of the domestic clearing system or interests in the global Notes may be transferred to a direct or indirect participant of another clearing system in accordance with the standard arrangements for such cross-market transfers. None of Euroclear, Clearstream, Luxembourg, Euroclear Netherlands nor any other Clearing System is under any obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Arranger, the relevant Dealer (if any), the Agent, the Selling Agents (in respect of Direct Access Notes) or any Intermediaries will have any responsibility for the performance by Euroclear, Clearstream, Luxembourg, Euroclear Netherlands any other clearing or settlements system or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

Custody arrangements

Since the global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or with Euroclear Netherlands, and primary settlement and clearance facilities will be provided

by Euroclear and/or Clearstream, Luxembourg and/or Euroclear Netherlands, investors in the Notes must make arrangements for their Notes to be held in custody with an accountholder (or indirect accountholder) of Euroclear or Clearstream, Luxembourg or Euroclear Netherlands, as the case may be. For these purposes, an indirect accountholder of Euroclear or Clearstream, Luxembourg or Euroclear Netherlands may include an accountholder of another Clearing System in respect of which arrangements have been made for the clearance of Notes of the relevant Series. Consequently, persons applying for Notes must have, or open, an investment account with a Selling Agent (in respect of Direct Access Notes) or other Intermediary, which is an accountholder of Euroclear or Clearstream, Luxembourg or Euroclear Netherlands (as the case may be) or another Clearing System in respect of which arrangements have been made to settle and clear the Notes. The Selling Agents or other Intermediaries may charge a fee for the opening and operation of an investment account. The fees charged by one Selling Agent or Intermediary, as the case may be, may differ from those charged by another Selling Agent or Intermediary, as the case may be, and prospective investors should contact the Selling Agents and Intermediaries directly for such information. Most banks and securities dealers in major financial centres worldwide maintain, or have access to, an account with, Euroclear or Clearstream, Luxembourg or Euroclear Netherlands (as the case may be) through which Notes may be held or transferred following issue.

Investment account and other nominee or custodian arrangements with respect to the Notes will be supplied by the Selling Agents (or other Intermediaries) subject to their standard terms and conditions for the provision of such services. None of the Issuer, the Arranger, the relevant Dealer (if any) or the Agent accept responsibility for the provision of such services or for the consequences of, or arising from, the use of such investment account or custody or nominee services.

FORM OF THE NOTES

Each Tranche of Notes will (unless otherwise indicated in the applicable Final Terms) be initially represented by a temporary global note (the “Temporary Global Note”) (or, if so specified in the applicable Final Terms, a permanent global note (the “Permanent Global Note”)), without receipts, interest coupons or talons, which will either (i) be delivered to a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system or (ii) be deposited with Euroclear Netherlands. Whilst any Note is represented by a Temporary Global Note and subject to TEFRA D selling restrictions, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by the relevant clearing system(s) and the relevant clearing system(s) have given a like certification (based on the certifications they have received) to the Agent. Any reference in this section to the relevant clearing system(s) shall mean the clearing and/or settlement system(s) specified in the applicable Final Terms.

On and after the date (the “Exchange Date”) which is not less than 40 days nor (if the Temporary Global Note has been deposited with Euroclear Netherlands) more than 90 days after the date on which the Temporary Global Note is issued, interests in the Temporary Global Note will be exchangeable (free of charge), upon request as described therein, either for interests in a Permanent Global Note without receipts, interest coupons or talons or for definitive Notes (as indicated in the applicable Final Terms) in each case (if the Notes are subject to TEFRA D selling restrictions) against certification of beneficial ownership as described in the second sentence of the preceding paragraph. The holder of a Temporary Global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused.

Pursuant to the Agency Agreement (as defined under “Terms and Conditions of the Notes” below) the Agent shall arrange that, where a Temporary Global Note representing a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned an ISIN and a common code by Euroclear and Clearstream, Luxembourg and/or a Fondscore by Clearnet S.A. Amsterdam Branch Stock Clearing which are different from the ISIN, common code and Fondscore assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Payments of principal and interest (if any) on a Permanent Global Note will be made through the relevant clearing system(s) against presentation or surrender (as the case may be) of the Permanent Global Note without any requirement for certification. Definitive Notes will be either in the standard euromarket form, in K-form (including *verzamelbewijs*) (with Coupons) and/or in CF-form (with Coupon sheets). Definitive Notes and global Notes will be to bearer. Notes in K-form may, if applicable, have Talons for further Coupons attached but will not be issued with Receipts attached. Notes in CF-form will have neither Talons nor Receipts attached on issue and will be governed by the rules of the “*Algemeen Obligatiekantoor van het Centrum voor Fondsenadministratie B.V.*” in Amsterdam.

A Permanent Global Note will be exchangeable (free of charge), in whole or (subject to the Notes which continue to be represented by the Permanent Global Note being regarded by the relevant clearing system(s) as fungible with the definitive Notes issued in partial exchange for such Permanent Global Note) in part in accordance with the applicable Final Terms, for security printed definitive Notes with, where applicable, receipts, interest coupons or coupon sheets and talons attached. Such exchange may be made only upon the occurrence of an Exchange Event. An “Exchange Event” means (1) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg or, if applicable, Euroclear Netherlands has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no successor clearing system is available or (2) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 7 which would not be required were the Notes represented by the Permanent Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition

13 upon the occurrence of an Exchange Event. In the event of the occurrence of an Exchange Event any holder of an interest in the global Note may give notice to the Agent requesting exchange and in the event of the occurrence of an Exchange Event as described in (2) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur no later than 15 days after the date on which the relevant notice is received by the Agent. Global Notes and definitive Notes will be issued pursuant to the Agency Agreement. At the date hereof, Euroclear Clearstream, Luxembourg regards Notes in global form as fungible with Notes in definitive form.

In case of Notes represented by a Permanent Global Note deposited with Euroclear Netherlands, a Noteholder shall not have the right to request delivery (“*uitlevering*”) of his Notes under the Dutch Securities Giro Transfer Act (“*Wet giraal effectenverkeer*”) other than on the occurrence of an Exchange Event as described above.

The following legend will appear on all global Notes, definitive Notes, receipts and interest coupons (including talons) which are subject to TEFRA D selling restrictions:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code of 1986.”

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

The following legend will appear on all global Notes held through Euroclear Netherlands:

“Notice: This Note is issued for deposit with Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (“Euroclear Netherlands”) at Amsterdam, The Netherlands. Any person being offered this Note for transfer or any other purpose should be aware that theft or fraud is almost certain to be involved.”

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9 of the Notes. In such circumstances, where any Note is still represented by a global Note and a holder of such Note so represented and credited to his account with the relevant clearing system(s) (other than Euroclear Netherlands) gives notice that it wishes to accelerate such Note, unless within period of 15 days payment has been made in full of the amount due in accordance with the terms of such global Note, holders of interests in such global Note credited to their accounts with the relevant clearing system(s) (other than Euroclear Netherlands) will become entitled to proceed directly against the Issuer on the basis of statements of account provided by the relevant clearing system(s) (other than Euroclear Netherlands) on and subject to the terms of the relevant global Note (where that global Note represents interests in Medium Term Notes) or on and subject to the terms of a deed of covenant (the “Deed of Covenant”) dated 7 July 2005 and executed by the Issuer (where that global Note represents interests in Direct Access Notes). In the case of a global Note deposited with Euroclear Netherlands, the rights of Noteholders will be exercised in accordance with the Dutch Securities Giro Transfer Act (“*Wet giraal effectenverkeer*”).

Form of Final Terms

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[THIS DOCUMENT MAY NOT BE DISTRIBUTED OR MADE AVAILABLE TO PERSONS TO WHOM DISTRIBUTION WOULD BE PROHIBITED UNDER APPLICABLE LAW. THIS DOCUMENT MAY BE DISTRIBUTED OR MADE AVAILABLE TO PERSONS WHO ARE RESIDENTS OF [THE NETHERLANDS/GERMANY/ITALY/BELGIUM/LUXEMBOURG/SWITZERLAND]].¹

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriately authorised independent financial adviser.

ABN AMRO Bank N.V.

(incorporated in The Netherlands with its statutory seat in Amsterdam)

Issue of [up to]² [Aggregate Nominal Amount of Tranche] [Title of Medium Term/Direct Access Notes] (the “Notes”)

under the Programme for the issuance of Medium Term Notes and Direct Access Notes

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 7 July 2005 which constitutes a base prospectus for the purpose of the Prospectus Directive (Directive 2003/71/EC (the “Prospectus Directive”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the registered office of the Issuer at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands and copies may be obtained from the Issuer at that address.

[The following language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Base Prospectus dated [*original date*]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC (the “Prospectus Directive”)) and must be read in conjunction with the Base Prospectus dated [*current date*] which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [*original date*] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the registered office of the Issuer at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands and copies may be obtained from the Issuer at that address.

1 Delete if there is no public offer of Direct Access Notes.

2 Include text if public offers of Direct Access Notes are to be made. For the purposes of offering the Direct Access Notes, initially this amount will be the maximum amount of Direct Access Notes which may be issued under the Tranche to which these Final Terms relate. The actual amount of Direct Access Notes issued will be specified in a revised version of these Final Terms which will be attached to the Global Note.

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

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

1. (i) Issuer: ABN AMRO Bank N.V.
(ii) Product: [Medium Term Notes/Direct Access Notes]
2. (i) Series Number: []
(ii) Tranche Number: []
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
– Tranche: [Up to]³ []
– Series: [Up to]³ []
5. Issue Price of Tranche: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (*in the case of fungible issues only, if applicable*)]
6. Specified Denominations: []⁴
7. (i) Issue Date: []
(ii) Interest Commencement Date: []
8. Maturity Date: *[Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]*
9. Interest Basis: [[] per cent. Fixed Rate]
[[LIBOR/EURIBOR/other] +/- [] per cent. Floating Rate]
[Dual Currency Interest]
[Zero Coupon]
[Index Linked Interest]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency Redemption]
[Instalment]
[specify other]

3 Include text if public offers of Direct Access Notes are to be made. For the purposes of offering the Direct Access Notes, initially this amount will be the maximum amount of Direct Access Notes which may be issued under the Tranche to which this Final Terms relates. The actual amount of Direct Access Notes issued will be specified in a revised version of this Final Terms which will be attached to the Global Note.

4 It is envisaged that the smallest Specified Denomination of Direct Access Notes will be not less than £1,000, U.S.\$2,000 €1,000 or the equivalent of €1,000 in any other currency.

11. Change of Interest Basis or Redemption/ Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. Status of the Notes: [Senior/Tier 2 Subordinated/Tier 3 Subordinated]
14. Method of distribution: [Syndicated/Non-syndicated/Not applicable (i.e. if Direct Access Notes are to be directly sold by the Issuer)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
(If payable other than annually, consider amending Condition 4)
- (ii) Interest Payment Date(s): [] in each year
(NB: This will need to be amended in the case of long or short coupons)
- (iii) Fixed Coupon Amount(s): [] per [] in nominal amount
- (iv) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)] and the Interest Payment Date(s) to which they relate]*
- (v) Day Count Fraction: [30/360 or Actual/Actual (ISMA) or specify other]
- (vi) Determination Date(s): [] in each year
[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]
NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration
NB: Only relevant where Day Count Fraction is Actual/Actual (ISMA)
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/give details]
16. **Floating Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Interest Period(s): []

- (ii) Specified Interest Payment Dates: []
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]]
- (iv) Business Centre(s): []
- (v) Manner in which the Rate of Interest and Interest Amounts is to be determined: [Screen Rate Determination/ISDA Determination/*specify other*]
- (vi) Party responsible for calculating the Rate of Interest and Interest Amounts (if not the Agent): []
- (vii) Screen Rate Determination: [Yes/No]
- Reference Rate: [].
(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)
- Interest Determination Date(s): []
(Second London business day prior to the start of each Interest Period if LIBOR (other than sterling or euro LIBOR), first day of each Interest Period if sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
- Relevant Screen Page: []
(In the case of EURIBOR, if not Moneyline Telerate Page 248 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (viii) ISDA Determination: [Yes/No]
- Floating Rate Option: []
- Designated Maturity: []
- Reset Date: []
- (ix) Margin(s): [+/–] [] per cent. per annum
- (x) Minimum Rate of Interest: [] per cent. per annum
- (xi) Maximum Rate of Interest: [] per cent. per annum
- (xii) Day Count Fraction: [Actual/365
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360]

30/360
30E/360
Other]
(See Condition 4 for alternatives)

- (xiii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []

17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Accrual Yield: [] per cent. per annum
(ii) Reference Price: []
(iii) Any other formula/basis of determining amount payable: []
(iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 6(e)(ii) and (j) apply/specify other]
(Consider applicable day count fraction if not U.S. dollar denominated)

18. **Index Linked Interest Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Index/Formula: [give or annex details]
(ii) Calculation Agent responsible for calculating the interest due: []
(iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [] *(If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions)*
(iv) Interest Period(s): []
(v) Specified Interest Payment Dates: []
(vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
(vii) Business Centre(s): []
(viii) Minimum Rate of Interest: [] per cent. per annum

- (ix) Maximum Rate of Interest: [] per cent. per annum
- (x) Day Count Fraction: []
19. **Dual Currency Interest Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (ii) Calculation Agent, if any, responsible for calculating the interest payable: []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [] *(If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions)*
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Note of [] Specified Denomination
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Maximum Redemption Amount: []
- (iv) Notice period (if other than as set out in the Conditions): []
- (N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

21. Investor Put: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Note of [] Specified Denomination
- (iii) Notice period (if other than as set out in the Conditions): []
- (N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
22. Final Redemption Amount of each Note: [[] per Note of [] Specified Denomination/specify other/see Appendix]
23. Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(e)): []

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes only upon an Exchange Event.]
- [Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date.]
- [Permanent Global Note exchangeable for definitive Notes only upon an Exchange Event.]
25. Financial Centre(s) or other special provisions relating to Payment Day: [Not Applicable/give details]
- (Note that this item relates to the place of payment and not Interest Period end dates to which items 16(iv) and 18(vii) relate)*
26. Talons for future Coupons or Receipts to be attached to definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]

27. Details relating to Instalment Notes including the amount of each instalment (each an “Instalment Amount”) and the date on which each payment is to be made (each an “Instalment Date”): [Not Applicable/*give details*]
28. Other terms or special conditions: [Not Applicable/*give details*]
(*when adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive*)
29. For the purposes of Condition 13, notices to be published in the Financial Times (generally yes, but not for domestic issues): [Yes/No]
30. Whether Condition 7(a) of the Notes applies (in which case Condition 6(b) of the Notes will not apply) or whether Condition 7(b) and Condition 6(b) of the Notes apply: [Condition 7(a) applies and Condition 6(b) does not apply/Condition 7(b) and Condition 6(b) apply]

DISTRIBUTION

31. (i) If syndicated, names [and addresses]** of Managers [and underwriting commitments]**:⁵ [Not Applicable/*give names, addresses and underwriting commitments*]
- (ii) Date of Syndication Agreement: []
- (iii) Stabilising Manager (if any): [Not Applicable/*give name*]
32. If non-syndicated, name [and address]** of relevant Dealer: [*specify name [and address]** of dealer/Not applicable. The Notes are not being underwritten by any Dealer(s). (ie if Direct Access Notes are to be directly sold by the Issuer)*]
33. Total commission and concession**: [] per cent. of the Aggregate Nominal Amount**
34. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]⁶
35. Additional selling restrictions: [Not Applicable/*give details*]

5 Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.**

6 TEFRA will only apply in respect of issues of Notes with a maturity of more than one year.

[LISTING AND ADMISSION TO TRADING APPLICATION]

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Programme for the issuance of Medium Term Notes and Direct Access Notes of ABN AMRO Bank N.V.]

[STABILISATION]

In connection with this issue and distribution of Notes, the *[insert name of Stabilising Manager]* (the “Stabilising Manager”) or any person acting for it may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for limited period. However, there may be no obligation on the Stabilising Manager or any agent of his to do this. Such stabilising, if commenced, may be discontinued at any time and will, in respect of Notes listed on Euronext Amsterdam, in any event be discontinued 30 days after the issue date of the Notes. Such stabilising shall be in compliance with all applicable laws and regulations including, in respect of Notes listed on Euronext Amsterdam, Article 32 of the Further Regulations on Market Conduct Supervision on the Securities Trade 2002 (*Nadere Regeling Gedragstoezicht Effectenverkeer* 2002) as amended of The Netherlands.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: _____
Duly authorised

By: _____
Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- | | | |
|-------|--|--|
| (i) | Listing | [Euronext Amsterdam/other (specify)/None] |
| (ii) | Admission to trading: | [Application has been made for the Notes to be admitted to trading on Euronext Amsterdam with effect from [].]
[Not Applicable.] |
| | | <i>(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)**</i> |
| (iii) | Estimate of total expenses related to admission to trading:* | []* |

2. RATINGS

Ratings: The Notes to be issued have been rated:

[S & P: []]

[Moody's: []]

[Fitch: []]

[[Other]: []]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]***

(The above disclosure should reflect the rating allocated to Notes of the type issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. NOTIFICATION

The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) [has been requested to provide/has provided – *include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues*] the [names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – *Amend as appropriate if there are other interests*]

5. REASONS FOR THE OFFER; ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer: []]

(See “Use of Proceeds” wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

[(ii) Estimated net proceeds []]

*[Only include if reasons are set out in (i) above]**

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)***

[(iii) Estimated total expenses: [].*[Include breakdown of expenses]*

(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

6. YIELD (Fixed Rate Notes only)

Indication of yield: []

*[Calculated as [include details of method of calculation in summary form] on the Issue Date.]***

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

7. HISTORIC INTEREST RATES (Floating Rate Notes only)**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Telerate].]

8. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING *(Index-Linked Notes only)***

[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]

*[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]***

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]

9. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT *(Dual Currency Notes only)***

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

*[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]***

10. OPERATIONAL INFORMATION

- | | | |
|--------|--|--|
| (i) | Jurisdictions into which public offer to be made: | [The Netherlands / Germany / Italy / Belgium / Luxembourg/Switzerland/specify other/None] |
| (ii) | ISIN Code: | [] |
| (iii) | Common Code: | [] |
| (iv) | Fondscore: | [] [Not Applicable] |
| (v) | WKN Code: | [] [Not Applicable] |
| (vi) | [Other relevant code:] | [] |
| (vii) | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | [Not Applicable/give name(s) and numbers(s)] |
| (viii) | [Offer Period: | [The offer of the Notes is expected to open at [] hours ([] time) on [] and close at [] hours ([] time) on [] or such earlier or later date or time as the Issuer may determine, following consultation with the relevant Dealer where practical,] ⁷ and announce]] ⁸ [Not Applicable] |
| (ix) | Delivery: | Delivery [against/free of] payment |

⁷ Delete if Direct Access Notes directly issued and no Dealer appointed.

⁸ Include text if public offers of Direct Access Notes are to be made.

(x) Names and addresses of []
additional Paying Agent(s) (if
any):

Notes:

- * Not required if the minimum denomination is less than €50,000
- ** Not required if the minimum denomination is €50,000

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of Notes to be issued by the Issuer which will be incorporated by reference into each global Note and which will be endorsed on (or, if permitted by the relevant stock exchange and agreed between the Issuer and the relevant Dealer (if any), incorporated by reference into) each definitive Note in the standard euromarket form and K-form and will be applicable to each definitive Note in CF-form. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes. Save in the case of public offers of structured Notes (including, for these purposes, subordinated Notes) in Germany, the applicable Final Terms will be endorsed on, incorporated by reference into, or attached to, each global Note and definitive Note in the standard euromarket form and K-form and will be applicable to each definitive Note in CF-form. Reference should be made to “Form of the Notes” above for a description of the content of Final Terms which includes the definition of certain terms used in the following Terms and Conditions.

This Note is one of a series of Notes issued by ABN AMRO Bank N.V. (in such capacity, the “Issuer”, which expression shall include any Substituted Debtor pursuant to Condition 16) pursuant to the Agency Agreement (as defined below). References herein to the “Notes” shall be references to the Notes of this Series (as defined below) and shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Notes issued in exchange (or part exchange) for a global Note and (iii) any global Note. The Notes, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an Amended and Restated Agency Agreement dated 7 July 2005 (the “Agency Agreement”) as supplemented or amended from time to time, made between the Issuer, ABN AMRO Bank N.V. as issuing and principal paying agent and agent bank (in such capacity the “Agent”, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the “Paying Agents”, which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes in the standard euromarket form (unless otherwise indicated in the applicable Final Terms) have interest coupons (“Coupons”) and, if indicated in the applicable Final Terms, talons for further Coupons (“Talons”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes in the standard euromarket form repayable in instalments have receipts (“Receipts”) for the payment of the instalments of principal (other than the final instalment) attached on issue. Any reference herein to “Noteholders” shall mean the holders of the Notes, and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference herein to “Receiptholders” shall mean the holders of the Receipts and any reference herein to “Couponholders” shall mean the holders of the Coupons, and shall, unless the context otherwise requires, include the holders of the Talons, and holders of Talons shall be referred to herein as “Talonholders”. Any holders mentioned above include those having a credit balance in the collective depots held by Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (“Euroclear Netherlands”) or one of its participants.

Interest bearing definitive Notes in K-form will have Coupons and, if indicated in the applicable Final Terms, Talons attached but will not be issued with Receipts attached. Interest bearing definitive Notes in CF-form will have Coupon sheets attached but will not be issued with Talons or Receipts attached. References in these Terms and Conditions to “Coupons” will include references to such Coupon sheets.

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

Where the applicable Final Terms specifies the Notes as Direct Access Notes, the Noteholders, the Receiptholders and the Couponholders in respect of those Notes are entitled to the benefit of the Deed of

Covenant (the “Deed of Covenant”) dated 7 July 2005 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

As used herein, “Tranche” means Notes which are identical in all respects (including as to listing) and “Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects (including as to listing and admission to trading) from the date on which such consolidation is expressed to take effect except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Agency Agreement, the Deed of Covenant and the applicable Final Terms are available for viewing at the specified offices of each of the Agent and the other Paying Agents and at the specified offices of the Issuer [and website?]. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms which are binding on them.

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

1. Form, Product, Denomination and Title

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency, the Specified Denomination(s) and the Specified Form(s).

This Note may be a Medium Term Note or a Direct Access Note, as specified in the applicable Final Terms.

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

This Note may be an Index Linked Redemption Note, an Instalment Note or a Dual Currency Redemption Note or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Final Terms.

This Note may be a Senior Note, a Tier 2 Subordinated Note or a Tier 3 Subordinated Note, as indicated in the applicable Final Terms.

Notes in definitive form are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. For Notes held by Euroclear Netherlands deliveries will be made in accordance with the Dutch Giro Securities Transfer Act (“*Wet giraal effectenverkeer*”). Except as ordered by a court of competent jurisdiction or as required by law or applicable regulations, the Issuer, the Agent and any Paying Agent may deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”) and/or Clearstream Banking, société anonyme (“Clearstream, Luxembourg”), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with

respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note (and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly). Notes which are represented by a global Note held by a common depositary for Euroclear or Clearstream, Luxembourg will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

Where Notes represented by a permanent global Note are deposited with Euroclear Netherlands, a Noteholder shall not have the right to request delivery (*uitlevering*) of his Notes under the Dutch Securities Giro Transfer Act (“*Wet giraal effectenverkeer*”) other than as set out in the global Note.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms but shall not include Euroclear Netherlands.

2. Status of the Senior Notes

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

3. Status and Characteristics relating to Subordinated Notes

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

The claims of the holders of the Subordinated Notes of this Series and the relative Receipts and Coupons (the “Subordinated Holders”) against the Issuer are:

- (i) in the event of the liquidation or bankruptcy of the Issuer; or
- (ii) in the event that a competent court has declared that the Issuer is in a situation which requires special measures (“*bijzondere voorziening*”) in the interests of all creditors, as referred to in Chapter X of the Dutch 1992 Act on the Supervision of the Credit System (*Wet toezicht kredietwezen 1992*), and for so long as such situation is in force (such situation being hereinafter referred to as a “Moratorium”),

subordinated to (a) the claims of depositors, (b) unsubordinated claims with respect to the repayment of borrowed money and (c) other unsubordinated claims.

By virtue of such subordination, payments to a Subordinated Holder will, in the event of liquidation or bankruptcy of the Issuer or in the event of a Moratorium with respect to the Issuer, only be made after, and any set-off by a Subordinated Holder shall be excluded until, all obligations of the Issuer resulting from deposits, unsubordinated claims with respect to the repayment of borrowed money and other unsubordinated claims have been satisfied.

For the purposes of the solvency guidelines (the “Solvency Guidelines”) of the Dutch Central Bank (“*De Nederlandsche Bank N.V.*”) to which the Issuer is subject, the Subordinated Notes of this Series will qualify as either tier 2 capital (“Tier 2 Notes”) or tier 3 capital (“Tier 3 Notes”), as referred to in the Solvency Guidelines, as specified in the applicable Final Terms.

4. Interest

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Fixed Rate(s) of Interest payable in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

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

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

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

In these Conditions:

“Determination Period” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

“euro” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

“Fixed Interest Period” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date;

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

“Treaty” means the Treaty establishing the European Communities, as amended.

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

(i) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate equal to the Rate of Interest payable in arrear on either:

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

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

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

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

- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition, “Business Day” means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than any Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open. In these Conditions, “TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms on the following basis:

(A) ISDA Determination

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

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

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

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

(B) Screen Rate Determination

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

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

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

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

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

(iii) Minimum and/or Maximum Rate of Interest

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

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

The Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

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

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b):

- (i) if “Actual/365” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
 - (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
 - (iii) if “Actual/365 (sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
 - (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
 - (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31 day of a month but the first day of the Interest Period is a day other than the 30 or 31 day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
 - (vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-days months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Maturity Date is the last day of the month of February in which the case the month of February shall not be considered to be lengthened to a 30-day month).
- (v) Notification of Rate of Interest and Interest Amount

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth Amsterdam Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression “Amsterdam Business Day” means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in Amsterdam.

- (vi) Certificates to be Final

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

(c) *Interest on Dual Currency Interest Notes*

In the case of Dual Currency Interest Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the applicable Final Terms.

(d) *Accrual of Interest*

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

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13 or individually.

(e) *Deferral of Interest on Tier 3 Notes*

Notwithstanding anything to the contrary contained elsewhere in this Condition 4, interest on the Tier 3 Notes of this Series will not be payable on any Interest Payment Date if and to the extent that at the time of, or as a result of such payment the Issuer's actual Own Funds (as defined below) would amount to less than 100 per cent. of the Issuer's required minimum amount of Own Funds under the Solvency Guidelines. Any interest in respect of the Tier 3 Notes of this Series not paid on an Interest Payment Date on which such interest would otherwise be payable will constitute arrears of interest ("Arrears of Interest") and will become payable and will be paid by the Issuer as soon as and to the extent that the Issuer will, after such payment has been made, meet the solvency test referred to in the previous sentence. Any Arrears of Interest will also become fully payable on the date of the dissolution of the Issuer, the date on which the Issuer is declared bankrupt or the date on which a moratorium resulting from the application of emergency measures as referred to in Chapter X of the Dutch 1992 Act on the Supervision of the Credit System (*Wet toezicht kredietwezen 1992*) is declared in respect of the Issuer. Where any amount of interest or Arrears of Interest is not paid in full, each part payment shall be made pro rata to the Tier 3 Noteholders of this Series and shall be in respect of the interest accrued furthest from the date of payment. Any Arrears of Interest shall not themselves bear interest.

"Own Funds" means the amount of shareholders' and other funds which qualify as actual own funds ("toetsingsvermogen") under the Solvency Guidelines.

5. *Payments*

(a) *Method of Payment*

Subject as provided below:

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

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

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

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

Payments of principal in respect of any definitive Notes in CF-form will be made in the manner provided in paragraph (a) above only against surrender of definitive Notes together with the Coupon sheet attached. Payments of interest in respect of any definitive Notes in CF-form will be made in conformity with the agreement concluded between the Issuer and the “Algemeen Obligatiekantoor van het Centrum voor Fondsenadministratie BV” in Amsterdam, under which agreement the Issuer has accepted the rules and regulations of the Obligatiekantoor.

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

Fixed Rate Notes in definitive form (other than Dual Currency Notes, Index Linked Notes and Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due. Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Receipts and Talons (if any) appertaining thereto will become void and no payments in respect of any such Receipts and no further Coupons in respect of any such Talons will be made or issued, as the case may be.

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

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

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

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

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

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

(c) *Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes (unless otherwise specified in the applicable Final Terms), “Payment Day” means any day which (subject to Condition 8) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) the relevant place of presentation; and
 - (B) any Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation and any Financial Centre and which if the Specified Currency is

Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open.

(d) Interpretation of Principal and Interest

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

- (i) any additional amounts which may be payable with respect to principal under Condition 7;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Instalment Notes, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount; and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

6. Redemption and Purchase

(a) At Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date or by instalments in the Instalment Amount(s) and on the Instalment Date(s) specified in the applicable Final Terms (in the case of a Note redeemable in instalments).

(b) Redemption for Tax Reasons

Subject as provided in paragraph (e) below and unless otherwise specified in the applicable Final Terms, Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes, Index Linked Interest Notes or Dual Currency Interest Notes) or on any Interest Payment Date (in the case of Floating Rate Notes, Index Linked Interest Notes or Dual Currency Interest Notes), on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable) if, on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes.

Each Note redeemed pursuant to this Condition 6(b) will be redeemed at its Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

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

If Issuer Call is specified in the applicable Final Terms, the Issuer may, subject as provided in paragraph (e) below and having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 13; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent,

(both of which notices shall be irrevocable), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not higher than the Maximum Redemption Amount, both as indicated (if at all) in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear, Clearstream, Luxembourg and/or Euroclear Netherlands, in the case of Redeemed Notes represented by a global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least 5 days prior to the Selection Date.

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

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note its holder must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg or, if applicable, Euroclear Netherlands, deliver at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "Put Notice") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg or, if applicable, Euroclear Netherlands, to exercise the right to require

redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg or, if applicable, Euroclear Netherlands (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them or, if applicable, Euroclear Netherlands to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg or, if applicable, Euroclear Netherlands from time to time and, if this Note is represented by a global Note, at the same time present or procure the presentation of the relevant global Note to the Agent for notation accordingly.

(e) Early Redemption Amounts

For the purpose of paragraph (b) above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of a Zero Coupon Note, at an amount (the “Amortised Face Amount”) equal to the product of:
 - (A) the Reference Price; and
 - (B) the sum of the figure 1 and the Accrual Yield, raised to the power of x, where “x” is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360, or on such other calculation basis as may be specified in the applicable Final Terms; and
- (iii) in any other case, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at their nominal amount.

Redemption of Subordinated Notes pursuant to paragraph (b), (c) or (d) above may only be effected after the Issuer has obtained the written consent of De Nederlandsche Bank N.V.

(f) Instalments

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

(g) Purchases

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

(h) Cancellation

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

(i) *Late Payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders, in accordance with Condition 13.

(j) *Deferral of Principal of Tier 3 Notes*

The principal of Tier 3 Notes will not be repayable on the due date thereof if and to the extent that at the time or as a result of such payment the Issuer's actual Own Funds (as defined in Condition 4(e)) would amount to less than 100 per cent. of the Issuer's required minimum amount of Own Funds under the Solvency Guidelines. Any principal of Tier 3 Notes not paid on the date on which such principal would otherwise be payable will be paid by the Issuer if and to the extent that the Issuer will meet the solvency test referred to in the previous sentence. Any arrears of principal will also become fully payable on the date of dissolution of the Issuer, the date on which the Issuer is declared bankrupt or the date on which a moratorium resulting from the application of emergency measures as referred to in Chapter X of the Act on the Supervision of the Credit System 1992 is declared in respect of the Issuer. Where any amount of principal is paid in part, each part payment shall be made pro rata to the Tier 3 Noteholders. Any arrears of principal shall continue to bear interest at the rate applicable to the relevant Tier 3 Notes.

7. *Taxation*

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

- (a) make the required withholding or deduction of such taxes, duties, assessments or governmental charges for the account of the holders of the Notes, Receipts or Coupons, as the case may be, and shall not pay any additional amounts to the holders of the Notes, Receipts or Coupons; or
- (b) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:
 - (i) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with The Netherlands other than the mere holding of such Note, Receipt or Coupon or the receipt of principal or interest in respect thereof; or
 - (ii) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who would not be liable or subject to the withholding or deduction by making a

declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

- (iii) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (iv) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5(c)); or
- (v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN European Union's Economic and Finance Ministers Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

As used herein, the "Relevant Date" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13. If and to the extent that in respect of the Tier 3 Notes of any Series any amount is not payable or repayable pursuant to Condition 4(e) or 6(j), the Relevant Date shall be the date on which any such amount becomes first payable or repayable.

8. Prescription

The Notes, Receipts and Coupons will become void unless presented for payment within a period of five years after the Relevant Date (as defined in Condition 7) therefor.

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

9. Events of Default

If (in the case of an issue of Senior Notes) any one or more of the following events or (in the case of an issue of Subordinated Notes) either or both of the events specified in (iii) and (iv) (each an "Event of Default") shall have occurred and be continuing:

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

then any Noteholder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare the Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount (as described in Condition 6(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind provided that repayment of Subordinated Notes under this Condition will only be effected after the Issuer has obtained the prior written consent of De Nederlandsche Bank N.V.

10. Replacement of Notes, Receipts, Coupons and Talons

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

11. Agent and Paying Agents

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below.

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

- (i) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;
- (ii) there will at all times be a Paying Agent with a specified office in a city in continental Europe;
- (iii) there will at all times be an Agent; and
- (iv) save to the extent satisfied by (i) or (ii) above, there will at all times be a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26 to 27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 5(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

12. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

13. Notices

All notices regarding the Notes shall be published (i) in at least one daily newspaper of wide circulation in The Netherlands, which is expected to be *Het Financieele Dagblad*, (ii) (unless otherwise specified in the applicable Final Terms) in a leading English language daily newspaper of general circulation in London, which is expected to be the *Financial Times*, and (iii) if and for so long as the Notes are listed on Euronext Amsterdam and Euronext Amsterdam so requires, in the Daily Official List of Euronext Amsterdam N.V. ("*Officiële Prijscourant*"). Any such notice will be deemed to have been given on the date of the first publication in all the newspapers in which such publication is required to be made.

Until such time as any definitive Notes are issued, there may (provided that, in the case of any publication required by a stock exchange, the rules of the stock exchange so permit), so long as the global Note(s) is or are held in its or their entirety on behalf of Euroclear and Clearstream, Luxembourg, be substituted for publication in some or all of the newspapers referred to above, the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the holders of the Notes, provided that for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will also be published in the manner required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

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

14. Meetings of Noteholders, Modification and Waiver

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

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

- (a) any modification (except as mentioned above) of the Agency Agreement which is not materially prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

15. Further Issues

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

16. Substitution of the Issuer

- (a) The Issuer may, with the consent of the Noteholders or Couponholders which will be deemed to have been given in respect of each issue of Notes on which no payment of principal or interest on any of the Notes is in default and after written approval of De Nederlandsche Bank N.V., be replaced and substituted by any directly or indirectly wholly owned subsidiary of the Issuer (the “Substituted Debtor”) as principal debtor in respect of the Notes and the relative Receipts and Coupons provided that:
 - (i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (the “Documents”) and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder and Couponholder to be bound by the Terms and Conditions of the Notes, the Deed of Covenant (if applicable) and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Notes, and the relative Receipts and Coupons, the Deed of Covenant (if applicable) and the Agency Agreement as the principal debtor in respect of the Notes and the relative Receipts and Coupons in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the “Guarantee”) in favour of each Noteholder and each holder of the relative Receipts and Coupons the payment of all sums (including any additional amounts payable pursuant to Condition 7) payable in respect of the Notes and the relative Receipts and Coupons;
 - (ii) where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than The Netherlands, the Documents shall contain a covenant and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of a covenant in terms corresponding to the provisions of Condition 7 with the substitution for the references to The Netherlands of references to the territory in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes. The Documents shall also contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Noteholder and Couponholder against all liabilities, costs, charges and expenses, provided that insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective, which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Noteholder or Couponholder by any political sub-division or taxing authority of any country in which such Noteholder or Couponholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
 - (iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all

necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Noteholder;

- (iv) each stock exchange which has Notes listed thereon or the relevant competent authority relating thereto shall have confirmed that following the proposed substitution of the Substituted Debtor such Notes would continue to be listed on such stock exchange;
 - (v) the Substituted Debtor shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of local lawyers acting for the Substituted Debtor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Agent;
 - (vi) the Substituted Debtor shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of English lawyers acting for the Substituted Debtor to the effect that, so far as English law is concerned, the Documents governed by English law constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Agent;
 - (vii) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from the internal legal adviser to the Issuer to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Agent; and
 - (viii) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under Dutch law, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Agent.
- (b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Noteholder or Couponholder, except as provided in Condition 16(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Notes and the relative Receipts and Coupons any indemnification or payment in respect of any tax or other consequences arising from such substitution.
- (c) In respect of any substitution pursuant to this Condition in respect of the Subordinated Notes of any Series, the Documents shall provide for such further amendment of the Terms and Conditions of the Subordinated Notes as shall be necessary or desirable to ensure that the Subordinated Notes of such Series constitute subordinated obligations of the Substituted Debtor and that the Guarantee constitutes a subordinated obligation of the Issuer, in each case subordinated to no greater than the same extent as the Issuer's obligations prior to its substitution to make payments of principal in respect of the Subordinated Notes of such Series under Condition 3 of the Terms and Conditions.

- (d) With respect to Subordinated Notes, the Issuer shall be entitled, after written approval of De Nederlandsche Bank N.V. and by notice to the Noteholders given in accordance with Condition 13, at any time either to effect a substitution which does not comply with paragraph (c) above provided that the terms of such substitution have been approved by an Extraordinary Resolution of the Noteholders or to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition. Any such notice of waiver shall be irrevocable.
- (e) Upon the execution of the Documents as referred to in paragraph (a) above, and subject to the notice as referred to in paragraph (g) below having been given, the Substituted Debtor shall be deemed to be named in the Notes and the relative Receipts and Coupons as the principal debtor in place of the Issuer and the Notes and the relative Receipts and Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Notes and the relative Receipts and Coupons save that any claims under the Notes and the relative Receipts and Coupons prior to release shall ensure for the benefit of Noteholders and Couponholders.
- (f) The Documents shall be deposited with and held by the Agent for so long as any Notes or Coupons remain outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder or Couponholder in relation to the Notes or the relative Receipts and Coupons or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Noteholder and Couponholder to the production of the Documents for the enforcement of any of the Notes or the relative Receipts and Coupons or the Documents.
- (g) Not later than 15 business days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 13.

17. Contracts (Rights of Third Parties) Act 1999

Where the applicable Final Terms specifies the Notes as Direct Access Notes, no person shall have any right to enforce any term or condition of the Notes under the English Contracts (Rights of Third Parties) Act 1999.

18. Governing Law and Jurisdiction

(a) Governing Law

- (i) Where the applicable Final Terms specifies the Notes as Direct Access Notes, the Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, English law, except that Condition 3, Condition 4(e) and Condition 6(j) shall be governed by and construed in accordance with, the laws of The Netherlands.
- (ii) Where the applicable Final Terms specifies the Notes as Medium Term Notes, the Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of The Netherlands.

(b) Jurisdiction

- (i) Where the applicable Final Terms specifies the Notes as Direct Access Notes, the Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (“Proceedings”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Receipts, Coupons and

Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

- (ii) Where the applicable Final Terms specifies the Notes as Medium Term Notes, the Issuer submits for the exclusive benefit of the Noteholders, the Receiptholders, the Couponholders and the Talonholders to the jurisdiction of the courts of Amsterdam, The Netherlands, judging in first instance, and its appellate courts. Without prejudice to the foregoing, the Issuer further irrevocably agrees that any suit, action or proceedings arising out of or in connection with the Notes, the Receipts, the Coupons and the Talons may be brought in any other court of competent jurisdiction.

(c) *Service of Process*

The Issuer irrevocably appoints ABN AMRO Bank N.V. (London Branch) of 250 Bishopsgate, London EC2M 4AA as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England relating to any Series of Notes where the applicable Final Terms specifies those Notes as Direct Access Notes. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 13. Nothing shall affect the right to serve process in any manner permitted by law.

USE OF PROCEEDS

Except as otherwise specified in the applicable Final Terms, the net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

TAXATION

NETHERLANDS TAXATION

The following summary describes the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of Notes, which term, for the purpose of this summary, includes Coupons, Talons and Receipts. This summary does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant to a decision to acquire, to hold, and to dispose of such Notes. Each prospective Noteholder should consult a professional adviser with respect to the tax consequences of an investment in the Notes. The discussion of certain Netherlands taxes set forth below is included for general information purposes only.

This summary is based on the Netherlands tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of this Base Prospectus, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

This summary does not address the Netherlands tax consequences of a Noteholder who holds a substantial interest (aanmerkelijk belang) in the Issuer, within the meaning of Section 4.3 of the Income Tax Act 2001. Generally speaking, a Noteholder holds a substantial interest in the Issuer, if such Noteholder, alone or together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5 per cent. or more of the total issued capital of the Issuer or of 5 per cent. 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.

Withholding Tax

No Netherlands withholding tax is due upon payments on the Notes, provided that the Notes are considered debt for Netherlands tax purposes and do not in fact have the function of equity of the Issuer within the meaning of Article 10(1)(d) of the Corporate Income Tax Act 1969.

Corporate Income Tax and Individual Income Tax

Residents of The Netherlands

If the Noteholder is subject to Netherlands corporate income tax and the Notes are attributable to its (deemed) business assets, income derived from the Notes and gains realised upon the redemption and disposal of the Notes are generally taxable in The Netherlands.

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

- (i) the Noteholder has an enterprise or an interest in an enterprise, to which enterprise the Notes are attributable; or
- (ii) such income or gains qualify as “income from miscellaneous activities” (*resultaat uit overige werkzaamheden*) within the meaning of Section 3.4 of the Income Tax Act 2001, which include activities with respect to the Notes that exceed “regular, active portfolio management” (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the individual Noteholder, the actual income derived from the Notes and the actual gains realised with respect to the Notes will not be taxable. Instead, such Noteholder will be taxed at a flat rate of 30 per cent. on deemed income from “savings and investments” (*sparen en beleggen*) within the meaning of Section 5.1 of the Income Tax Act 2001. This deemed income amounts to 4 per cent. of the average of the individual’s “yield basis” (*rendementsgrondslag*) within the meaning of article 5.3 of the Income Tax Act 2001 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 fair market value of the Notes will be included in the individual's yield basis.

Non-residents of The Netherlands

A Noteholder that is not a resident nor deemed to be a resident of The Netherlands for Netherlands tax purposes (nor, if he or she is an individual, has opted to be taxed as a resident of The Netherlands) is not taxable in respect of income derived from the Notes and gains realised upon the redemption and disposal of the Notes, unless:

- (i) the Noteholder 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 Netherlands permanent establishment or permanent representative the Notes are attributable; or
- (ii) the Noteholder is entitled to a share in the profits of an enterprise that is effectively managed in The Netherlands, other than by way of securities or through an employment contract, and to which enterprise the Notes are attributable; or
- (iii) the Noteholder is an individual and such income or gains qualify as "income from miscellaneous activities" (*resultaat uit overige werkzaamheden*) in The Netherlands within the meaning of Section 3.4 of the Income Tax Act 2001, which include activities in The Netherlands with respect to the Notes that exceed "regular, active portfolio management" (*normaal, actief vermogensbeheer*).

Gift and Inheritance Taxes

Residents of The Netherlands

Generally, gift and inheritance taxes will be due in The Netherlands in respect of the acquisition of the Notes by way of a gift by, or on the death of, a Noteholder who 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.

An individual of Netherlands nationality is deemed to be a resident of The Netherlands for the purposes of Netherlands gift and inheritance tax, if he or she had been resident in The Netherlands during the ten years preceding the gift or his or her death. An individual of any other nationality is deemed to be a resident of The Netherlands for the purposes of The Netherlands gift and inheritance tax only if he or she had been residing in The Netherlands at any time during the twelve months preceding the time of the gift.

Non-residents of The Netherlands

No gift or inheritance taxes will arise in The Netherlands in respect of the acquisition of the Notes by way of gift by, or as a result of the death of, a Noteholder who 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 Noteholder at the time of the gift 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 Netherlands permanent establishment or permanent representative the Notes are or were attributable; or
- (ii) the Notes 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 to a share in the profits of that enterprise, at the time of the gift or at the time of his or her death, other than by way of securities or through an employment contract; or
- (iii) in the case of a gift of the Notes by an individual who at the date of the gift was neither a resident nor deemed to be a resident of The Netherlands, such individual 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.

Treaties

Treaties may limit the Dutch sovereignty to levy gift and inheritance tax.

Other Taxes and Duties

No Netherlands VAT, capital duty, registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be due in The Netherlands by a Noteholder in respect of or in connection with the subscription, issue, placement, allotment or delivery of the Notes.

GERMAN TAXATION

The following is a general discussion of certain German tax consequences of the acquisition and ownership of Notes. It does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws of Germany and each country of which they are residents.

Tax Residents

Payments of interest on the Notes, including interest having accrued up to the disposition of a Note and credited separately ("Accrued Interest"), if any, to persons who are tax residents of Germany (i.e., persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany) are subject to German personal or corporate income tax (plus solidarity surcharge (*Solidaritätszuschlag*) at a rate of 5.5 per cent. thereon). Such interest may also be subject to trade tax if the Notes form part of the property of a German trade or business. Accrued Interest paid upon the acquisition of a Note may give rise to negative income if the Note is held as a non-business asset.

Upon the disposition, assignment or redemption of a Note a holder holding the Note as a non-business asset will have to include in his taxable income further amounts if the Note can be classified as a financial innovation (*Finanzinnovation*) under German tax law (including, among other things, Zero Coupon Notes, discounted Notes, provided the discount exceeds certain thresholds, certain types of Index Linked Notes and Structured Notes, Floating Rate Notes, Notes being traded "flat", i.e. without Accrued Interest being credited separately, or stripped Notes, i.e. Notes traded without Coupons and Coupons traded without Notes). In this case, generally the difference between the proceeds from the disposition, assignment or redemption and the issue or purchase price is deemed to constitute interest income subject to income tax (plus the solidarity surcharge) in the year of the disposition, assignment or maturity of the Note. Where Notes are issued in a currency other than Euro the difference will be computed in the foreign currency and will then be converted into Euro. Alternatively, the holder of the Note may show that such difference exceeds the difference between the redemption amount and the issue price of the Note to the extent attributable to the period over which he has held such Note. In this case only the lower pro-rated initial yield to maturity (if such amount is fixed at the time of the acquisition), minus interest, including Accrued Interest already taken into account, is taxed as interest income.

Where a Note forms part of the property of a German trade or business, each year the part of the difference between the issue or purchase price of the Note and its redemption amount (if such amount is fixed at the time of the acquisition) attributable to such year as well as interest accrued must be taken into account as interest income and may also be subject to trade tax.

Capital gains from the disposition of Notes, other than income described in the second paragraph above (e.g. including certain types of Notes without a minimum redemption amount and without interest payment), are only taxable to a German tax-resident individual if the Notes are disposed of within one year after their acquisition or form part of the property of a German trade or business, in which case the capital gains may also be subject to trade tax. Capital gains derived by German-resident corporate holders of Notes will be subject to corporate income tax (plus solidarity surcharge at a rate of 5.5 per cent. thereon) and trade tax.

If Notes are held in a custodial account that the holder of the Notes maintains with a German branch of a German or non-German bank or financial services institution (the “Disbursing Agent”) a 30 per cent. withholding tax on interest payments (*Zinsabschlag*), plus 5.5 per cent. solidarity surcharge on such tax, will be levied, resulting in a total tax charge of 31.65 per cent. of the gross interest payment. Withholding tax on interest is also imposed on Accrued Interest.

In addition, if Notes qualify as financial innovations, as explained above, and are kept in a custodial account that the holder of the Notes maintains with a Disbursing Agent such custodian will generally withhold tax at a rate of 30 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon) from the positive difference between the redemption amount or proceeds from the disposition or assignment and the issue or purchase price of the Notes if the Notes have been kept in a custodial account with such Disbursing Agent since the time of issuance or acquisition, respectively. Where Notes are issued in a currency other than Euro the difference will be computed in the foreign currency and will then be converted into Euro. If the Notes other than Notes in registered form have not been kept in a custodial account with a Disbursing Agent since the time of issuance or acquisition, withholding tax of 30 per cent. (plus solidarity surcharge) is applied to 30 per cent. of the amounts paid in partial or final redemption or the proceeds from the disposition or assignment of the Notes, respectively.

In computing the tax to be withheld the Disbursing Agent may deduct from the basis of the withholding tax any Accrued Interest previously paid by the holder of a Note to the Disbursing Agent during the same calendar year. In general, no withholding tax will be levied if the holder of a Note is an individual (i) whose Note does not form part of the property of a German trade or business nor gives rise to income from the letting and leasing of property; and (ii) who filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent but only to the extent the interest income derived from the Note together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the holder of the Note has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the relevant local tax office.

If Notes are not kept in a custodial account with a Disbursing Agent, withholding tax will apply at a rate of 35 per cent. of the gross amount of interest paid by a Disbursing Agent upon presentation of a Coupon (whether or not presented with the Note to which it appertains) to a holder of such Coupon (other than a non-German bank or financial services institution) (*Tafelgeschäft*). In this case proceeds from the disposition, assignment or redemption of a Coupon, and if the Notes qualify as financial innovations 30 per cent. of the proceeds from the disposition, assignment or redemption of a Note, will also be subject to withholding tax at a rate of 35 per cent. Where the 35 per cent. withholding tax applies Accrued Interest paid cannot be taken into account in determining the withholding tax base. Again a solidarity surcharge at a rate of 5.5 per cent. of the withholding tax applies so that the total tax burden to be withheld is 36.925 per cent.

Withholding tax and the solidarity surcharge thereon are credited as prepayments against the German personal or corporate income tax and the solidarity surcharge liability of the German resident. Amounts overwithheld will entitle the holder of a Note to a refund, based on an assessment to tax.

Non-residents

Interest, including Accrued Interest, and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder of a Note; or (ii) the interest income otherwise constitutes German-source income (such as income from the letting and leasing of certain

German-situs property). In the latter case a tax regime similar to that explained above under “*Tax Residents*” applies. Capital gains from the disposition of Notes other than proceeds from their sale or redemption recharacterised as interest income for German tax purposes (as explained above under “*Tax Residents*”) are, however, only taxable in the case of (i) above.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Notes are in registered form or held in a custodial account with a Disbursing Agent, withholding tax is levied as explained above under “*Tax Residents*”. Where Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposition or redemption of a Note are paid by a Disbursing Agent to a non-resident, withholding tax of 35 per cent. (plus the solidarity surcharge) will apply as explained above under “*Tax Residents*”. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Note will arise under the laws of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

EU Savings Tax Directive

Under EU Council Directive on the taxation of savings income, Member States are required, from 1st July, 2005, to provide to the tax authorities of another Member State details of payments 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). A number of non EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

Holders of Notes who are individuals should note that the Issuer will not pay additional amounts under Condition 7 of the Terms and Conditions of the Notes in respect of any withholding tax imposed as a result thereof.

SWISS TAXATION

The following summary does not purport to be a comprehensive description of all Swiss tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and, in particular does not consider specific facts or circumstances that may apply to a particular purchaser. It is for general information only and does not discuss all tax consequences of an investment in Notes under the tax laws of Switzerland. This summary is based on the tax laws of Switzerland currently in force and as applied on the date of this Base Prospectus which are subject to changes (or changes in interpretation) which may have retroactive effect. Prospective purchasers are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes in the light of their particular circumstances.

Income Tax

Swiss Resident Noteholders

Interest Payments or Redemption of Notes

Swiss residents receiving interest payments during the investment or at redemption as one-time interest generally must include these interest payments in the financial statements and/or in the income tax returns and owe income tax or profit tax on the relevant amounts.

Notes which are not straight debt instruments but have components of debt instruments and derivatives intertwined generally qualify as combined instruments. The tax treatment of such Notes depends on whether the Notes are considered as transparent or not for Swiss income tax purposes.

If the Note is considered as not transparent for Swiss income tax purposes, any amount received by the Noteholder (upon sale or redemption) in excess of the amount invested (at issue or at purchase) is treated as taxable income in the hands of the Noteholder if the Note qualifies as a note with predominant one-time interest payment. If the Note does not qualify as a note with predominant one-time interest payment, the Noteholder is subject to tax on the periodic interest payments or (at redemption) on the difference between initial issuance price and the redemption price. For the purpose of determining whether the Note is a note with predominant one-time interest payment the difference between initial issuance price and the redemption price is treated as one-time interest.

If the Note is considered as transparent for Swiss income tax purposes, it will be split notionally in a debt instrument and a derivative instrument component. Gains or losses on the derivative instrument component are treated as capital gains or losses (see below). Interest payments received during the investment or at redemption as one-time interest related to the debt instrument component are treated as taxable income in the hands of the Noteholder. Such a treatment is also applicable for the purpose of determining whether the Note is a note with predominant one-time interest payment.

The Note is generally considered as transparent if the debt and the derivative components are traded separately or if the different elements of the Note (such as the guaranteed redemption amount, the issuance price of the debt component, the interest rates determining the issuance price of the debt component) are separately stated in the sales documentation as well as in the offering prospectus and if each one of such components is separately evaluated. Such evaluation has to be performed through calculations of finance mathematic determining the intrinsic value of the debt instrument and the derivative instrument components contained in the Note. In particular, the calculations have to determine the notional issuance price of the debt instrument, based on the interest rate taken into account by the issuer which has to be at market value. The Federal Tax Administration has to approve such calculations. Said calculations have to be reviewed on a quarterly basis in order to take into account the evolution of the interest rates. If the tax authorities are not provided for with sufficient information the Notes can be treated as not transparent.

Notes which are linked to underlying assets, such as bonds, shares, or baskets of such assets may also be treated, under certain circumstances, as direct investments in bonds, shares or in an investment fund. Notes linked to a basket of investment funds may be treated as an investment in an investment funds.

Capital gains

Swiss Resident Private Noteholders

Swiss resident Noteholders who do not qualify as so-called professional securities dealers (*gewerbsmässiger Wertschriftenhändler*) and who hold the Notes as part of their private (as opposed to business) assets are hereby defined as Swiss Resident Private Noteholders.

Swiss Resident Private Noteholders realize a tax free capital gain upon the disposal of Notes which do not qualify as notes with predominant one-time interest payment and realize a taxable income if the Notes qualify as notes with one-time predominant interest payment.

The tax treatment of capital gains on Notes which qualify as combined instruments (see above) depends upon whether the Note qualifies as tax transparent or not. Notes which are not transparent for Swiss income tax purposes (see above) generally qualify as notes with predominant one-time interest payment and are treated as such. Notes which qualify as tax transparent are notionally split in their debt instrument and derivative instrument component. The debt instrument component follows the usual tax treatment either as note with predominant one-time interest payment or as note with no predominant one-time interest payment as applicable. Capital gains arising from the derivative instrument component of transparent Notes are generally not subject to income tax in the hands of Swiss Residents Private Noteholders.

With respect to capital gains arising from Notes linked to underlying assets, such as investment funds, bonds, shares or baskets of any of them see above under “Interest Payment or Redemption of Notes”.

Swiss Resident Business Noteholders

Gains realised on the sale of Notes, by Swiss resident individual Noteholders holding the Notes as part of their business assets as well as by Swiss resident legal entity Noteholders, are part of their business profits subject to individual income taxes or corporate income taxes, respectively. The same applies to Swiss Resident Private Noteholders who qualify as so-called professional securities dealers (*gewerbsmässiger Wertschriftenhändler*).

Non-Swiss Resident Noteholders

Under present Swiss law, a Noteholder who is a non-resident of Switzerland and who, during the taxable year has not engaged in trade or business through a permanent establishment or a fixed place of business within Switzerland and who is not subject to taxation in Switzerland for any other reason, will not be subject to any Swiss federal, cantonal or municipal income tax on interest or gains realised on sale or redemption of the Notes.

Stamp Duties

Swiss Issuance Stamp duty

The issuance of the Notes is not subject to Swiss issuance stamp duty.

Swiss Transfer Stamp Duty

The issuance of the Notes is not subject to Swiss transfer stamp duty, provided that the Notes are not linked to underlying assets in such a way as to qualify as a structure similar to an investment fund.

The sale or transfer of the Notes may, however, be subject to Swiss transfer stamp duty at the current rate of 0.3 per cent. if such sale or transfer is made by a or through the intermediary of a Swiss bank or other securities dealer as defined in the Swiss Stamp Tax Act and no exemption applies.

Withholding Tax

All payments in respect of the Notes by the Issuer are currently not subject to the Swiss withholding tax (*Verrechnungssteuer*).

Swiss tax retention

Switzerland may introduce a tax retention on interest payments or similar income paid by a Swiss paying agent as defined in Articles 1 and 6 of the Agreement between the European Community and the Swiss Confederation providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the “Agreement”) to the beneficial owner who is an individual and resident in the EU as of 7 July 2005 unless the interest payments are made on debt-claims issued by debtors who are residents of Switzerland or pertaining to permanent establishments of non-residents located in Switzerland. The tax retention may be withheld at the rate of 15 per cent. during the first

three years from the date of application of the Agreement, 20 per cent. for the subsequent three years and 35 per cent. thereafter. The beneficial owner of the interest payments may be entitled to a credit for or a refund of the tax retention if certain conditions are met. The Swiss paying agent may be explicitly authorised by the beneficial owner of the interest payments to report interest payments to the Swiss Federal Tax Administration. Such report will then substitute the tax retention.

Holder of Notes who are individuals should note that the Issuer will not pay additional amounts under Condition 7 of the Terms and Conditions of the Notes in respect of any Swiss tax retention

SUBSCRIPTION AND SALE

The Dealers have in an amended and restated programme agreement (the “Programme Agreement”) dated 7 July 2005 as amended or supplemented from time to time agreed with the Issuer a basis upon which they or any of them may from time to time purchase Medium Term Notes. The Programme Agreement also contains Dealer accession provisions allowing any Dealer to be appointed in connection with an issue of Direct Access Notes under the Programme, pursuant to which any such Dealer may from time to time agree to purchase Direct Access Notes. Any such agreement to accede to the Programme will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes” above.

See the section headed “Distribution Arrangements in relation to Direct Access Notes” above for a description of the manner in which the Issuer or the Dealer(s) (if any) participating in each Tranche of Direct Access Notes may arrange for such Direct Access Notes to be sold directly to retail investors or to Intermediaries, who may in turn sell such Direct Access Notes to retail investors.

Notes may also be offered under the Programme on a private placement basis.

United States

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in the previous sentence have the meanings given to them by Regulation S under the Securities Act. The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or to a United States person, except in certain transactions permitted by United States tax regulations. Terms used in the previous sentence have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Programme Agreement, it will not offer, sell or deliver any Notes within the United States or to, or for the account or benefit of, U.S. persons until 40 days after the completion of the distribution of all Notes of such Series, as determined and certified by the Agent, and it will have sent to each other dealer or person receiving a selling concession, fee or other remuneration in respect of the Notes to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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 Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes 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 Notes to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Notes 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 €43,000,000 and (3) an annual turnover of more than €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 Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

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

The Netherlands/Global

Zero Coupon Notes in definitive bearer form and other Notes in definitive bearer form on which interest does not become due and payable during their term but only at maturity (savings certificates or *spaarbewijzen* as defined in The Netherlands Savings Certificates Act or *Wet inzake spaarbewijzen*, the “SCA”) may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such Notes to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business and (iii) the issue and trading of such Notes if they are physically issued outside The Netherlands and are not immediately thereafter distributed in The Netherlands.

Germany

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell Notes in the Federal Republic of Germany other than in compliance with the provisions of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) of 22 June 2005 (as amended), or any other laws applicable in the Federal Republic of Germany governing the issue, offering and sale of securities.

Republic of Italy

The offering of the Notes has not been cleared by CONSOB (the Italian Securities Exchange Commission) pursuant to Italian securities legislation and, accordingly, each of the Dealers has represented and agreed, and each further Dealer will be required to represent and agree, that no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to professional investors (“*operatori qualificati*”), as defined in Article 31, second paragraph, of CONSOB Regulation No. 11522 of 1 July 1998, as amended; or
- (ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998 (the “**Financial Services Act**”) and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

Each of the Dealers has represented and agreed, and each further Dealer will be required to represent and agree, that any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act and Legislative Decree No. 385 of 1 September 1993 (the “**Banking Act**”), as amended;
- (b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy pursuant to which the issue or the offer of securities in the Republic of Italy may need to be preceded and followed by an appropriate notice to be filed with the Bank of Italy depending, *inter alia*, on the aggregate value of the securities issued or offered in the Republic of Italy and their characteristics; and
- (c) in accordance with any other applicable laws and regulations.

Republic of France

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in the Republic of France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in the Republic of France, this Offering Circular or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall only be made in France to qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1 and L.411-2 of the Code *Monétaire et Financier* and décret no. 98-880 dated 1st October, 1998.

General

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that (to the best of its knowledge and belief) it will comply with all applicable laws and regulations in force in any jurisdiction in or from which it purchases, offers, sells or delivers any Notes or any interest therein or possesses or distributes this Base Prospectus, any Final Terms or any other offering material relating to the Notes and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of any Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have responsibility therefor. In addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not directly or indirectly offer, sell or deliver any Notes or distribute or publish the Base Prospectus, any Final Terms or any other offering material relating to the Notes in or from any jurisdiction except under circumstances that will not impose any obligations on the Issuer or any other Dealers.

Subject as provided above, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to agree, unless prohibited by applicable law, either to furnish each person to whom it offers, sells or delivers Direct Access Notes a copy of this Base Prospectus or to inform each such person that a copy thereof (as then amended or supplemented) will be made available upon request. No Dealer is authorised to give any information or to make any representation not contained in this Base Prospectus, any Final Terms or the information referred to in Clause 7.1 of the Programme Agreement in connection with the offer and sale of Notes.

With regard to each Tranche, the relevant Dealer (if any) will be required to comply with any additional restrictions set out in the applicable Final Terms.

GENERAL INFORMATION

Authorisation

The update of, and the issue of Notes under, the Programme have been duly authorised by a resolution of the Board of Managing Directors of the Issuer dated 12 January, 2005. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of The Netherlands have been given for the issue of Notes and for the Issuer to undertake and perform its obligations under the Programme Agreement, the Deed of Covenant, the Agency Agreement and the Notes.

Guarantee of Holding

Holding has given a guarantee (referred to as a '403 Declaration') dated 15th June, 1998 in respect of debt obligations of the Issuer. The 403 Declaration constitutes the legal, valid and binding obligation of Holding, enforceable under Dutch Company law in accordance with its terms. The effect of the issue and deposit by Holding of its 403 Declaration with the Trade Register of the Chamber of Commerce in Amsterdam is that Holding and the Issuer have become jointly and severally liable for all debts of the Issuer arising from transactions entered into by the Issuer after the date of the deposit. The 403 Declaration accordingly constitutes a guarantee by Holding for Notes issued by the Issuer.

Listing

Application has been made to Euronext Amsterdam for Notes issued under the Programme and up to the expiry of 12 months from the date of this Base Prospectus to be admitted to trading and to be listed on Euronext Amsterdam. For so long as the Notes are listed on Euronext Amsterdam there will be a paying agent in The Netherlands. ABN AMRO Bank N.V. has been appointed as the initial paying agent in The Netherlands.

Documents available

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

- (i) an English translation of the Certificate of Incorporation and the most recent Articles of Association of the Issuer;
- (ii) the audited financial statements of Holding for the financial years ended 2003 and 2004 and the most recently available published interim financial statements (quarterly figures) of Holding (in English), in each case together with the audit reports prepared in connection therewith;
- (iii) a copy of the Registration Document;
- (iv) the form of the Programme Agreement (or in the form as executed in connection with the appointment of any Dealer, if different);
- (v) the Agency Agreement (which contains the forms of the Temporary Global Notes and Permanent Global Notes, the definitive Notes, the Receipts, the Coupons and the Talons) and the Deed of Covenant;
- (vi) a copy of this Base Prospectus;
- (vii) each Final Terms; and
- (viii) in the case of each issue of listed Notes subscribed pursuant to a syndication agreement, the syndication agreement (or equivalent document).

Additional documentation will be available at the offices of the German Paying Agent as described in the paragraph headed “Notice to residents of Germany” in the section headed “Distribution Arrangements in relation to Direct Access Notes” above.

A copy of the 403 Declaration is available for inspection at the Trade Register of the Chamber of Commerce in Amsterdam, De Ruyter Kade 5, PO Box 1000 CW, Amsterdam, The Netherlands.

Notices

Notices with regard to the Notes will, so long as any Notes are listed on Euronext Amsterdam and Euronext Amsterdam and/or the Competent Authority so requires, be published in the Euronext Amsterdam Daily Official List (*Officiële Prijscourant*) and in one daily newspaper of wide circulation in The Netherlands (which is expected to be *Het Financieele Dagblad*). See also Condition 13 of the Notes.

Clearing and settlement systems

The Notes have been accepted for clearance through Euroclear, Clearstream, Luxembourg and the Clearnet S.A. Amsterdam Branch Stock Clearing. The appropriate Common Code, International Securities Identification Number and Fondscode for each Tranche allocated by Euroclear, Clearstream, Luxembourg and the Clearnet S.A. Amsterdam Branch Stock Clearing, and any other relevant security code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate additional or alternative information will be specified in the applicable Final Terms. Transactions will normally be effected for settlement not earlier than three days after the date of the transaction.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Material change

Save as disclosed in this Base Prospectus or any document attached hereto, there has been no material adverse change in the financial position or prospects of Holding (taken as a whole) and/or the Issuer since 31 December 2004.

Litigation

In several jurisdictions legal proceedings have been initiated against Holding or its group companies whose financial statements have been included in Holding’s consolidated annual accounts for the financial year ended 31 December 2004. On the basis of information presently available, neither the Issuer nor Holding is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Holding are aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or Holding.

Auditors

The auditors of Holding are Ernst & Young Accountants (registered accountants), who have audited Holding’s accounts, without qualification, in accordance with generally accepted auditing standards in The Netherlands for each of the three financial years ended 31 December 2002, 2003 and 2004. The auditors of Holding have no material interest in Holding.

The reports of the auditors of Holding are incorporated in the form and context in which they are incorporated, with the consent of the auditors who have authorised the contents of that part of this Base Prospectus.

Post-issuance information

The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

Registered office of the Issuer

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Agent

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Ernst & Young Accountants

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The Netherlands

Amsterdam Listing Agent

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