



**Transfer of securities to BNP Paribas Arbitrage Issuance B.V. (“BNPP IBV”) pursuant to Part VII of the UK Financial Services and Markets Act 2000**

On 19 November 2015, The Royal Bank of Scotland plc (with its registered office at 36 St Andrew Square, Edinburgh, Scotland) (“**RBS**”) and BNP Paribas S.A. (incorporated in France and with its registered office at 16, Boulevard des Italiens, 75009 Paris, France) (“**BNPP**”), acting through its London Branch, announced that the Court of Session in Scotland had approved and sanctioned the implementation of a banking business transfer scheme, whereby certain assets and liabilities related to RBS’s structured retail investor products and equity derivatives business would be transferred to BNPP pursuant to Part VII of the UK Financial Services and Markets Act 2000 (the “**Part VII Scheme**”).

The Part VII Scheme took effect on 7 December 2015 (the “**Effective Date**”).

On the Effective Date, BNPP, acting through its London Branch, became the issuer of those securities originally issued by RBS that were transferred pursuant to the Part VII Scheme. Immediately after the transfer of those securities to BNPP, acting through its London Branch, the role of the issuer under those securities was transferred, also under the terms of the Part VII Scheme, to BNPP IBV, a wholly owned subsidiary of BNPP. As part of the Part VII Scheme, BNPP guarantees all the obligations of BNPP IBV arising in respect of the transferred securities.

Under the Part VII Scheme, amendments were made to the terms of the transferring securities and to agreements related to them from the Effective Date in order to give effect to the Part VII Scheme, including (but not limited to) references to “RBS”, in its capacity as issuer of the transferred securities, being construed as references to “BNPP IBV”.

Details of the securities that have transferred under the Part VII Scheme as well as further information on the Part VII Scheme generally can be viewed at <http://warrants.bnpparibas.com/>

### **Transfers of securities to RBS plc pursuant to Part VII of the UK Financial Services and Markets Act 2000**

On 6 February 2010 ABN AMRO Bank N.V. (registered with the Dutch Chamber of Commerce under number 33002587) changed its name to The Royal Bank of Scotland N.V. ("**RBS N.V.**") and on 1 April 2010 ABN AMRO Holding N.V. changed its name to RBS Holdings N.V.

On 23 September 2011, RBS N.V. and The Royal Bank of Scotland plc (with its registered office at 36 St Andrew Square, Edinburgh, Scotland) ("**RBS plc**") announced that the Court of Session in Scotland had approved and sanctioned the implementation of a banking business transfer scheme whereby eligible business carried on in the United Kingdom by RBS N.V. would be transferred to RBS plc pursuant to Part VII of the UK Financial Services and Markets Act 2000 (the "**Part VII Scheme**"). The Part VII Scheme took effect on 17 October 2011 (the "**Effective Date**").

From the Effective Date, RBS plc became the issuer of those securities originally issued by RBS N.V. which were transferred to RBS plc pursuant to the Part VII Scheme. Under the Part VII Scheme, amendments were made to the terms of the transferring securities and to agreements related to them from the Effective Date in order to give effect to the Part VII Scheme, including (but not limited to) references to "RBS N.V." being construed as references to "RBS plc". Details of these amendments are set out in the Scheme Document which can be viewed at [http://www.investors.rbs.com/RBS\\_NV](http://www.investors.rbs.com/RBS_NV).

For details of which securities were transferred to RBS plc pursuant to the Part VII Scheme, investors should refer to [http://www.investors.rbs.com/RBS\\_NV](http://www.investors.rbs.com/RBS_NV) or, for securities issued from on or about 21 July 2011, investors should refer to the terms of the issue or offer documents (including term-sheets) (if they indicate that RBS plc was expected to become the issuer of the securities as a result of the Part VII Scheme, then RBS plc has become the issuer, unless the securities have been exercised, redeemed or repurchased and cancelled prior to the implementation of the Part VII Scheme).

For further details of the Part VII Scheme generally, investors should refer to [http://www.investors.rbs.com/RBS\\_NV](http://www.investors.rbs.com/RBS_NV).

# Open End Certificates on the ABN AMRO Generic Drugs Index (Total Return)

## Final Termsheet, 21 September 2006

Open-ended USD

We are pleased to present for your consideration the transaction described below. We are willing to negotiate a transaction with you because we understand that you have sufficient knowledge, experience and professional advice to make your own evaluation of the merits and risks of a transaction of this type and you are not relying on ABN AMRO Bank N.V., its employees, agents or any of the companies in the ABN AMRO group for information, advice or recommendations of any sort other than the factual terms of the transaction. This term sheet does not identify all the risks (direct or indirect) or other considerations which might be material to you when entering into the transaction. You should consult your own business, tax, legal and accounting advisors with respect to this proposed transaction and you should refrain from entering into a transaction with us unless you have fully understood the associated risks and have independently determined that the transaction is appropriate for you. Due to the proprietary nature of this proposal please understand that it is confidential.

Issuer:	ABN AMRO Bank N.V. (Senior Long Term Debt Rating: Moody's Aa3, S&P AA-)
Lead Manager:	ABN AMRO Bank N.V.
Calculation Agent:	ABN AMRO Bank N.V., London Branch

### Time Table

Subscription period	From 11 September to 22 September 2006
Pricing Date	25 September 2006
Launch Date:	27 September 2006
Issue Date:	27 September 2006
Listing Date:	27 September 2006
Public Offer Date:	27 September 2006

### Specific Offering Terms

Offering:	Open End Certificates (the " <b>Certificates</b> " or individually the " <b>Certificate</b> ")
Underlying:	ABN AMRO Generic Drugs TR (" <b>Index</b> ")
Reuters Code:	.ABNZGPHA
Bloomberg Code:	ABNZGPHA <Index>
Spot:	111.08
Underlying Currency:	USD
Index Calculator:	Standard & Poor's
Issue Price:	USD 100 (including an up-front fee of 1%)
Number of Certificates Issued:	30,000
Initial Cash Amount:	USD 99
Settlement Currency:	USD
Nominal Amount: (Number of Certificates Issued x Issue Price)	USD 3,000,000
Security Codes:	ISIN: CH0026950425, Symbol: GENUS, Valoren: 2'695'042, Common code: 26755808

### Standard Product Terms

Description:	A certificate without fixed expiration that tracks the price performance of the Shares being comprised in the Index as described in the attached Index Description (Appendix B) less the Management Fee. Investors are entitled to exercise the Certificates on an annual basis on specified Exercise Dates. The Issuer is entitled to terminate the Certificates on any Business Day upon 12 month's notice commencing 1 year after the Issue Date ("Early Termination") or upon the occurrence of a Extraordinary Early Termination Event.
Certificate Value:	An amount determined by the Calculation Agent in accordance with the following formula:

(i) On the Issue Date:  
 $CV_0$  = Initial Cash Amount

(ii) On any Trading Day t:

$$CV_t = I_t \left( \frac{CV_{t-1}}{I_{t-1}} - F - DCF(t-1,t) \right)$$

Where:

$CV_t$  = certificate value on Trading Day t

$I_t$  = closing level of the Index on Trading Day t

$I_{t-1}$  = closing level of the Index on previous Trading Day t-1

F = Fee Rate

DCF(t-1,t) = day count fraction between (t-1) and t Trading Days

Day Count Fraction ("DCF")	The number of calendar days between the relevant Trading Day (including) and the previous Trading Day (excluding) divided by 360
Fee Rate:	1% per annum
Exercise:	Investors are entitled to exercise the Certificates on an annual basis on specified Exercise Dates
Exercise Date:	Three Business Days prior to a scheduled Valuation Date
Exercise Settlement Amount:	For each Certificate duly exercised, an amount (which shall be deemed to be a monetary value in the Settlement Currency) equal to the Certificate Value at the Valuation Time on the relevant Valuation Date
Valuation Time:	The time with reference to which the Index Calculator calculates the closing level of the Index
Valuation Date:	The last Trading Day of March each year commencing at least one calendar year after the Issue Date (each a " <b>Valuation Date</b> ")
Expiration Date:	Not applicable, open ended
Early Termination:	The Issuer is entitled to terminate the Certificates on any Business Day upon 12 month's notice commencing 1 year after the Issue Date at the Early Termination Settlement Amount.
Early Termination Date:	The date specified in the notice notifying certificate holders that the Issuer wishes to terminate the certificates
Early Termination Amount:	For each Certificate an amount (which shall be deemed to be a monetary value in the Settlement Currency) equal to the Certificate Value at the Valuation Time on the Early Termination Date
Extraordinary Early Termination Event:	If the total number of Shares comprised in the Index is less than the Minimum Number of Index Components, then the day on which this occurs shall be the Extraordinary Early Termination Date. Upon such Extraordinary Termination the Certificates terminate automatically with two Business Days advance notice against payment of the "Extraordinary Early Termination Amount".
Extraordinary Early Termination Amount:	For each Certificate an amount (which shall be deemed to be a monetary value in the Settlement Currency) equal to the Certificate Value at the Valuation Time on the Extraordinary Early Termination Date
Adjustments Provisions:	The Calculation Agent may make adjustments to the terms of the Certificates if an event which affects the Underlying requires it. This may include an event which has a concentrating or diluting effect on the theoretical value of the Underlying.
Additional Market Disruption Event Provisions:	<ul style="list-style-type: none"> <li>( <b>General moratorium</b> in respect of banking activities in country of the principal financial centre of the Relevant Currency</li> <li>( <b>Price Source Disruption</b>, including the failure to be able to obtain a rate of exchange between the Relevant Currency and the Settlement Currency</li> <li>( <b>Governmental Default</b> with respect to indebtedness for money borrowed or guaranteed by the country of the principal financial centre of the Relevant</li> </ul>

Currency

- ( **Inconvertibility/non-transferability** - de facto or de jures - of the Relevant Currency
- ( **Nationalisation** in the country of the principal financial centre of the Relevant Currency
- ( **Illiquidity** of the Relevant Currency
- ( The **change in law** in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency
- ( The **imposition of any tax and/or** levy with punitive character which is imposed in the country of the principal financial centre of the Relevant Currency
- ( The **unavailability of the Settlement Currency** in the country of the principal financial centre of the Relevant Currency

For the purposes of the above the following definition(s) shall apply:

“Relevant Currency” means the lawful currency of Hungary, from time to time.

The Calculation Agent may make such adjustments to the Conditions in order to account for any such event if it consider it appropriate to do so and the Valuation Date may be adjusted accordingly provided that if after 180 Trading Days a disruption / adjustment event is subsisting then in that case (i) the 180th Trading Day shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Index Level (which may be zero) having regard to the then prevailing market conditions, the last reported trading price of the Underlying Index and such other factors as the Calculation Agent determines to be relevant.

Settlement:	Cash Settlement in case of Exercise, Early Termination and Extraordinary Early Termination
Settlement Date:	5 Business Days following the Valuation Date, the Early Termination Date or Extraordinary Early Termination Date
Business Day:	London, New York and Clearing Agent
Business Day Convention:	Following
Trading Day:	Any day on which the Index Calculator should calculate and publish the closing level of the Index according to its rules
Form:	Global Bearer: Permanent
Applicable law:	English
Selling Restrictions:	Private placement selling restrictions apply in all non-public offer countries (if any).
Associated Risks:	Please refer to Appendix A and Adjustments Provisions
<b>Primary and Secondary Market</b>	
Listing:	SWX Swiss Exchange
Public Offer Countries:	Switzerland
Secondary Market:	ABN AMRO Bank N.V. intends (but is not obliged) to maintain a daily secondary market throughout the life of the product with a maximum spread of 2% (subject to normal market conditions).
Secondary Settlement:	Trade Date + 3 Business Days
Minimum Trading Size:	1 Certificate
Clearing System Trading Size:	1 Certificate
Clearing Agent:	SegalInterSettle A.G., Euroclear Bank S.A, Clearstream Banking S.A.
CH Classification for EU Savings Directive:	Category 9

**Quotes / Information**

Info Line:	+41 (0)1 631 62 62
Fax Line:	+41 (0)1 631 48 34
Trading Line:	+44 (0) 207 678 2776
E-mail:	abnamro.pip@ch.abnamro.com
Reuters:	AAHCH
Bloomberg:	AACH
Postal Address:	ABN AMRO Bank N.V Beethovenstrasse 33 / P.O. Box 2065 CH-8022 Zürich
Internet:	<a href="http://www.abnamromarkets.ch">www.abnamromarkets.ch</a>

ABN AMRO has developed and is responsible for the methodology that is employed in connection with the ABN AMRO Generic Drugs Total Return Index. Standard & Poor's has provided a contribution to the ABN AMRO Generic Drugs Total Return Index in a limited manner. Standard & Poor's contribution is limited to providing consulting services to ABN AMRO and performing calculations and data distribution in connection with the Index as well as maintenance of the Index. Standard & Poor's does not sponsor, endorse, sell, or promote any investment fund or other vehicle that is offered by third parties and that seeks to provide an investment return based on the returns of the ABN AMRO Generic Drugs Total Return Index. A decision to invest in any such investment fund or other vehicle should not be made in reliance on any of the statements set forth in this document. Prospective investors are advised to make an investment in any such fund or vehicle only after carefully considering the risks associated with investing in such funds, as detailed in an offering memorandum or similar document that is prepared by or on behalf of the issuer of the investment fund or vehicle. ABN AMRO has developed, maintained and is the sole party responsible for the methodology that is employed in connection with the ABN AMRO Generic Drugs Total Return Index.

## Appendix A

### Disclaimer

**WARNING:** This term sheet is for information purposes only and does not constitute an offer to sell or a solicitation to buy any security or other financial instrument. All prices are indicative and dependent upon market conditions and the terms are liable to change and completion in the final documentation.

**WARNING:** The contents of this document have not been reviewed by any regulatory authority in the countries in which it is distributed. Investors are advised to exercise caution in relation to the offer. If you are in doubt about any of the contents of this document, you should obtain independent professional advice.

Due to the proprietary nature of this proposal please understand that it is confidential. This material is intended solely for the use of the intended recipient(s) and the contents may not be reproduced, redistributed, or copied in whole or in part for any purpose without the express authority of ABN AMRO.

Any purchase of the Certificates should be made on the understanding that the purchaser shall be deemed to acknowledge, represent, warrant and undertake to ABN AMRO that (i) it consents to the provision by ABN AMRO to any governmental or regulatory authority of any information regarding it and its dealings in the Certificates as required under applicable regulations and/or as requested by any governmental or regulatory authority; and (ii) it agrees to promptly provide to ABN AMRO, or directly to the relevant governmental or regulatory authority (and confirm to ABN AMRO when you have done so), such additional information that ABN AMRO deems necessary or appropriate in order for ABN AMRO to comply with any such regulations and/or requests.

From time to time the Issuer may enter into and receive the benefit of generic commission, discount and rebate arrangements from hedge providers and other transaction counterparties, and reserves the right to retain any such amounts received without any obligation to pass the benefit of the rebates to investors in the Certificates.

The information set out in this document is a summary of some of the key features of the Certificates. This summary should be read in conjunction with, and is qualified in its entirety by reference to, the full terms and conditions of the Certificates.

### Selling restrictions

**General.** No action has been taken or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates, may be made in or from any jurisdiction except in circumstances that would result in compliance with any applicable laws and regulations and would not impose any obligation on the Issuer.

**US, Netherlands and UK.** The Certificates may not be offered or sold within the United States or the Netherlands or, to or for the benefit of, US persons, Dutch persons or private customers in the United Kingdom

### Risk factors

Investment in the Certificates involves significant risks and while the following summary of certain of these risks should be carefully evaluated before making an investment in the Certificates, the following does not intend to describe all possible risks of such an investment:

- (a) **Open End Certificates.** Open End Certificates are investment instruments which, at exercise or termination pay an amount equal to the level of the Underlying subject to the certificate entitlement, foreign exchange rate and expenses. As such, they entail the same level of risk as a direct investment in the Underlying. Investors should be aware that their entire investment may be lost, in the event that the Underlying is valued at zero. The investor should be aware that the issuer is entitled to terminate the Certificates under certain circumstances against payment of a termination Amount. In the event of termination, unlike direct investments, as the certificates now have a limited term, investors are not able to hold them beyond the termination date in the expectation of a recovery in the price of the Underlying
- (b) **Investment Risks.** The price at which a holder will be able to sell Certificates prior to exercise or termination may be at a potentially substantial discount to the market value of the Certificates at the issue date, if, at such time and in addition to any other factors, the value of the Underlying is below, equal to or not sufficiently above the value of the Underlying at the issue date.

The price of the Certificates may fall in value as rapidly as it may rise and investors may not get back the amount invested. The price of the Certificates may be affected by a number of factors, including changes in the value and volatility of the Underlying, the creditworthiness of the Issuer, changes in foreign exchange rates and economic, financial and political events that are difficult to predict. The past performance of the Underlying or other securities or derivatives should not be taken as an indication of the future performance of the Underlying or other securities or derivatives during the term of the Certificates.

- (c) **Suitability of the Certificates.** The purchase of the Certificates involves certain risks including market risk, credit risk and liquidity risk. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. Investors should carefully consider whether the Certificates are suitable for them in light of their experience, objectives, financial position and other relevant circumstances. If in any doubt, investors should obtain relevant and specific professional advice before making any investment decision. In structuring, issuing and selling the Certificates, ABN AMRO is not acting in any form of fiduciary or advisory capacity.

- (d) **Creditworthiness of Issuer.** The Certificates constitute general unsecured contractual obligations of the Issuer and of no other person. Investors in the Certificates are relying upon the creditworthiness of the Issuer and have no rights under the Certificates against any other person.
- (e) **Secondary market trading.** No assurance can be given that any trading market for the Certificates will exist or whether any such market will be liquid or illiquid. While the Issuer expects to make a market in the Certificates, it is not obliged to do so. Any market making activity if commenced may be discontinued at any time. If the Certificates are not traded on any exchange, pricing information may be more difficult to obtain and the liquidity and price of the Certificates may be adversely affected.
- (f) **Conflicts of interest.** ABN AMRO and its officers and employees may from time to time (i) have long or short positions in the Underlying or other securities or derivatives that may affect the value of the Certificates; and/or (ii) possess or acquire material information about the Certificates, the Underlying or other securities or derivatives that may affect the value of the Certificates. If applicable, ABN AMRO may at any time solicit or provide investment banking, commercial banking, credit, advisory or other services to the issuer of the Underlying. Such activities and information may cause consequences that are adverse to the interests of the investors in the Certificates or otherwise create various potential and actual conflicts of interest. ABN AMRO has no obligation to disclose such activities or information or other potential and actual conflicts of interest and may engage in any such activities without regard to the interests of the investors in the Certificates or the effect that such activities may directly or indirectly have on the Certificates.
- (g) **Hedging activities.** Notwithstanding any communication that you may have had with ABN AMRO in respect of the manner in which ABN AMRO may establish, maintain, adjust or unwind the Hedge Positions (i) ABN AMRO may in its absolute discretion determine when, how or in what manner it may establish, maintain or adjust or unwind its Hedge Positions; (ii) ABN AMRO may, but is not obliged to, hedge the Certificates dynamically by holding a corresponding position in the Underlying or any other securities, derivatives or otherwise; (iii) any Hedge Positions are the proprietary trading positions of ABN AMRO and are not held on your behalf or as your agent.
- (h) **Quanto feature.** If applicable, the quanto feature cancels the currency exposure on the product payoff at exercise or termination. Hence, on maturity or expiration, a product denominated in a currency different to the underlying asset(s) currency, will have its payoff calculated only on the performance of the underlying asset(s), with no account taken for the exchange rate between the two currencies at such time. During the life of the product, this non-exposure to currency may come at a cost or benefit depending on the difference between the domestic and foreign interest rates and the exchange rate between the two currencies.
- (i) **Averaging.** If applicable, prospective purchasers or holders of the Securities should be aware that the calculation of the final redemption formula is not based on a single closing level of the Underlying, but on the average of the closing levels of the Underlying on the averaging dates. This may have the effect that the final calculation level can be well below the price of the Underlying at exercise.
- (j) **Market Disruption.** The calculation agent for the Certificates may determine that a market disruption event has occurred or exists at a relevant time. Any such determination may affect the value of the Certificates and/or delay settlement in respect of the Certificates.



## APPENDIX B – Generic Drugs TR Index Description

### 1. Definitions:

“**ADT 3M**” means the average daily value traded of a Share Company; the ADT 3M is calculated on the basis of the last 3 months in USD or the equivalent amount in another currency calculated by applying the Exchange Rate. The ADT 3M is provided by Bloomberg using the <AVG\_DAILY\_VALUE\_TRADED\_3M> function or an equivalent;

“**ABN AMRO**” means ABN AMRO Bank N.V., incorporated under the laws of the Netherlands, acting through its branch in London, at 250 Bishopsgate, London EC2M 4AA;

“**Affected Index Component**” means an Index Component which is affected by De-listing;

“**Business Day**” means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London and New York;

“**De-listing**” means an Index Component for any reason ceases to be listed or is suspended from listing on the Relevant Exchange (and such cessation or suspension is continuing and such Index Component is not subsequently listed or quoted on another stock exchange or quotation system acceptable to ABN AMRO);

“**Distributions**” means the cash equivalent of any and all distributions, dividends or other return or payment made in respect of an Existing Share net of applicable withholding taxes at the relevant rate adjusted by application of any applicable tax treaty without reference to tax credits;

“**Exchange Rate**” means the prevailing rate of exchange between the currency in which the Share is traded and the Settlement Currency as determined by the Index Calculator on the relevant date;

“**Existing Share**” means a Share, which is, immediately prior to a Substitution Event or Re-Weighting Date, included in the Index;

“**Index**” means the ABN AMRO Generic Drugs Total Return Index;

“**Index Calculator**” means, Standard & Poor’s, 55 Water Street, New York, NY 10041 or its successor;

“**Index Launch Date**” means 5 July 2006;

“**Market Disruption Event**” means

- General moratorium in respect of banking activities in country in which the Relevant Exchange is located; or
- Price Source Disruption. It becomes impossible to obtain the Exchange Rate at any Business Day in the inter-bank market; or
- Governmental Default with respect to any security or indebtedness for money borrowed or guaranteed by any governmental authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such governmental authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or
- Inconvertibility/non-transferrability The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Underlying Currency or (B) generally makes it impossible to deliver the Underlying Currency from accounts in the country of the principal financial centre of the Underlying Currency to accounts outside such jurisdiction or the Settlement Currency between accounts in such jurisdiction or to a party that a non-resident of such jurisdiction; or
- Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any governmental authority which deprives ABN AMRO (or any of its Affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Underlying Currency; or
- Illiquidity. It is impossible to obtain a firm quote for the Exchange Rate for an amount which the ABN AMRO considers necessary to discharge its obligations under the Securities; or

- A change in law in the country of the principal financial centre of the Underlying Currency which may affect the ownership in and/or the transferability of the Underlying Currency; or
- The imposition of any tax and/or levy with punitive character which is imposed in the country of the principal financial centre of the Underlying Currency;
- The unavailability of the Settlement Currency in the country of the principal financial centre of the Underlying Currency;

“**Minimum Number of Index Components**” means 7 Shares;

“**New Share**” means a Share which following the Substitution Date will be included in the Index and upon inclusion will be referred to as Existing Share;

“**Number of Shares i**” means in relation to each Share i:

(A) on the Index Launch Date:

$$\frac{\text{Initial Index Value}}{\text{Number of Index Components} \times \text{Price } i}$$

(B) on each Re-weighting Date:

$$\frac{\text{Index Value before rebalance}}{\text{Number of Index Components} \times \text{Price } i}$$

(C) on each Substitution Date:

For all Shares  $i_{\text{new}}$  to enter in the Index:

$$\text{Number of Shares } i_{\text{new}} = \frac{\sum_{j_{\text{old}} \in R} (\text{Number of Shares})_{j_{\text{old}}} \times (\text{Price})_{j_{\text{old}}}}{(\text{Price})_{i_{\text{new}}} \times M}$$

Whereby

**M** = number of new Index Components entering the Index on the Substitution Date;

**R** = Set of those subscripts  $j_{\text{old}} \in \{1, \dots, N\}$  which denote Shares being dropped from the Index on the Substitution Date.

“**Price**” means in respect of each Share, the last traded price on the Relevant Exchange on the respective Trading Day (if not expressed in the Settlement Currency, converted into the Settlement Currency using the Exchange Rate);

“**Qualifying Share**” means any security which complies with the Selection Criteria (see below section 4) and “**Qualifying Shares**” shall be construed accordingly;

“**Qualifying Share Company**” means a company which issued Qualifying Shares (together, the “**Qualifying Share Companies**”);

“**Relevant Exchange**” means for any Share such exchange or quotation system on which such Share has its primary listing or is mainly traded;

“**Re-weighting Date**” means 5 January and 5 July of each year starting 5 January 2007 or, if such day is not a Trading Day, the following Trading Day, subject to a Market Disruption Event;

**“Settlement Currency”** means USD;

**“Share”** means each listed ordinary share of the Share Company or if no ordinary shares are listed, the preferred share of the Share Company or ADRs and GDRs of such Share Company, which is for the time being included in the Index (each a **“Index Component”** and together the **“Index Components”**) and **“Shares”** shall be construed accordingly;

**“Share Company”** means a company which issued Shares, and **“Share Companies”** being construed accordingly;

**“Substitution Date”** means a Trading Day on which a Substitution Event occurs, subject to a Market Disruption Event;

**“Substitution Event”** means that an Index Component is affected by a De-listing;

**“Target Number”** means 12 Shares;

**“Technical Constraints”** means the ABN AMRO’s inability to hedge itself in respect of a Share due to either market, compliance, regulatory, reporting or reputational constraints or due to any local regulations which would require ABN AMRO to make a take-over bid, or due to any internal constraints;

**“Transaction Price”** means the Price at which the relevant Share would notionally have been acquired or disposed of (as appropriate) at the relevant time as such Share is notionally included in or removed from the Index. Where a Share is to be notionally removed from the Index, its Transaction Price shall be on the basis of its disposal and where a Share is notionally to be included, its Transaction Price shall be on the basis of its acquisition; and

**“Trading Day”** means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on all the Relevant Exchanges other than a day on which trading on any such Relevant Exchange is scheduled to close prior to its regular weekday closing time;

**“Underlying Currency”** means the currency in which the Share is denominated.

## 2. General description

The ABN AMRO Generic Drugs Total Return Index (the “**Index**”) tracks the performance of 12 largest companies in terms of market capitalisation selected from the Index Calculator’s database. A condition of selection is that the pharmaceutical companies eligible for inclusion should have significant generic drugs related businesses, as determined in the reasonable discretion of the Index Calculator (each such company a “**Generic Drugs Related Company**” and “**Generic Drugs Related Companies**” being construed accordingly). The Index shall be initially equally weighted.

The Index Calculator will make determinations as regards the shares which are eligible for inclusion within the Index and will determine the quantity of such shares to be included. In addition, on the basis of the formula for and method of calculating the Index (see section 5 below), the Index Calculator will calculate and publish the level of the Index once a day on a daily basis.

The Index shall comprise at any time of at least **seven** Qualifying Share Companies (“**Minimum Number of Index Components**”) and ceases to exist if there are less than seven Qualifying Share Companies.

## 3. Initial Index Composition

On the Index Launch Date, the Index will initially comprise the shares (the “**Shares**”) of the following 12 companies (each a “**Share Company**” and together the “**Share Companies**”) as selected by the Index Calculator (each an “**Index Component**” and together the “**Index Components**”).

On the Index Launch Date the value of the Index will be USD 100.00 (“**Initial Index Value**”) and will be composed of the following Shares: **Table 1 – Composition of the Index as at the Index Launch Date**

No.	Initial Index Weight	Share Company	Bloomberg Code	Currency of Share	Total Market Capitalisation (USD) *
1	8.33%	Teva Pharmaceutical Inds	TEVA US Equity	USD	28,528
2	8.33%	Forest Laboratories	FRX UN Equity	USD	11,928
3	8.33%	Barr Laboratories Inc	BRL UN Equity	USD	5,435
4	8.33%	Mylan Laboratories Inc	MYL UN Equity	USD	4,299
5	8.33%	Endo Pharmaceuticals Hldg	ENDP UQ Equity	USD	3,857
6	8.33%	Richter Gedeon	RICHT HB Equity	HUF	3,257
7	8.33%	Watson Pharmaceuticals	WPI UN Equity	USD	2,713
8	8.33%	Stada Arzneimittel AG	SAZ GR Equity	EUR	2,083
9	8.33%	Dr. Reddys Labs	RDY US Equity	USD	1,915
10	8.33%	Sigma Pharmaceuticals Limited	SIP AU Equity	AUD	1,721
11	8.33%	Andrx Group	ADRX UQ Equity	USD	1,705
12	8.33%	Perrigo Co	PRGO UQ Equity	USD	1,546

\* As of 14 June 2006

Source: Bloomberg

The Index Components shall be initially equally weighted at  $1/12=8.33\%$  in the Index based on the Price of each of the Index Components on the Index Launch Date.

## 4. Index Selection Criteria

To qualify for inclusion in the Index, a Share Company must meet the following selection criteria, together referred to as the “**Selection Criteria**”:

- (i) The Share Company must be a Generic Drugs Related Company which either (i) is included in the Index on the Index Launch Date, or (ii) is part of the Reserve Universe (see 7 below);

and

- (ii) At the date of selection only

- a. the Share Company must have a market capitalisation strictly greater than USD 500,000,000 (or the equivalent amount in another currency calculated by applying the Exchange Rate) as published on the respective Bloomberg page <Bloomberg Code Equity DES>; and
- b. the Share must have a ADT 3M strictly greater than USD 1,000,000;

If the above mentioned data provider pages are not available, the Index Calculator shall take the data from a page replacing the stated page or if no replacement page is available from any other data provider as selected at the reasonable discretion of the Index Calculator;

and

- (iii) a. Only Share Companies listed on official stock exchanges from the following countries qualify for inclusion in the Index:

Australia	Norway
Canada	Singapore
EU members	Switzerland
Iceland	USA
Japan	Israel
New Zealand	

and

- b. In addition to this rule, Share Companies listed on official stock exchanges in the countries listed below qualify for inclusion in the Index. In this case, at first instance the Share Companies' ADRs listed in New York or GDRs listed in London, when available, will be considered.

If, however, the Share Companies' ADRs listed in New York or GDRs listed in London are not available or do not comply with all of the Selection Criteria, then Shares listed on official stock exchanges where such Shares have their primary listing or are mainly traded will be considered instead.

Hong Kong	Korea
Malaysia	Thailand
Taiwan	

and

- c. In addition to this rule, Share Companies listed on official stock exchanges in the countries listed below qualify for inclusion in the Index. In this case only the Share Companies' ADRs listed in New York or GDRs listed in London will be considered.

Argentina	Morocco
Bahrain	Nigeria
Brazil	Oman
Bulgaria	Pakistan
Chile	Peru
China	Philippines
Colombia	Romania
Croatia	Russia
Egypt	Saudi Arabia
South Africa	Indonesia
Sri Lanka	
Jordan	Turkey
Venezuela	Mexico
Zimbabwe	India

## 5. Index Calculation and Re-investment Policy of Distributions

The value of the Index ("**Index Value**") will be calculated and published once a day by the Index Calculator on every Business Day t, subject to a Market Disruption Event on the under section 9 mentioned Reuters and/or Bloomberg reference page according to the following formula:

$$\text{Index Value}_t = \sum_{i=1}^N (\text{Number of Shares})_{i,t} \times (\text{Price})_{i,t}$$

Distributions are reinvested proportionally according to each Shares' weight in the Index. The Index will then be calculated as follows, for all Shares  $i$ , ( $i = 1, \dots, N$ )

$$\text{Number of Shares}_{i,\text{ex}} = \text{Number of Shares}_i \times [1 + D_j \times \text{Number of Shares}_j / \text{Index Value}_{\text{ex}}]$$

whereby

$$\text{Number of Shares}_{i,\text{ex}} = \text{Number of Shares of the } i\text{th share following the ex-date;}$$

$D_j$  = Distributions of the  $j$ th share net of applicable withholding taxes at a rate adjusted by application of the United Kingdom tax treaty and without reference to tax credits.

$\text{Index Value}_{\text{ex}}$  = Index Value as defined above, but using the ex-dividend price of the  $j$ th Share.

## 6. Re-weighting of the Index

Following the initial composition of the Index on the Index Launch Date, the Index Calculator shall make periodic adjustments to the Index on each Re-weighting Date ("**Re-weighting**"). Generic Drugs Related Companies that do not fulfil all of the Selection Criteria stipulated in Section 4 on the Re-weighting Date do not qualify for inclusion in the Index. If the number of Index Components immediately prior to a Re-weighting Date is less than the Target Number, then the number of Index Components may be increased up to the Target Number according to the Selection Criteria. The Index Components shall be re-weighted with effect from the Re-weighting Date, subject to a Market Disruption Event.

On each Re-weighting Date, the procedure for the periodical selection ("**Selection Procedure**") of Index Components is:

1. A list is compiled of all Generic Drugs Related Companies that fulfil the Selection Criteria stipulated in Section 4.
2. The total market capitalisation expressed in USD (or the equivalent amount in another currency calculated by applying the Exchange Rate) as published on the respective Bloomberg page <Bloomberg Code Equity DES> is assigned to each Generic Drugs Related Company.
3. The ADT 3M is assigned to each Generic Drugs Related Company. If there is more than one class of Shares, then only the class of Shares with the highest ADT 3M will qualify for selection.
4. The Generic Drugs Related Companies are ranked according to the total market capitalisation expressed in USD (highest to lowest). The Generic Drugs Related Company with the highest total market capitalisation expressed in USD is listed first with a rank equal to 1. If the total market capitalisation expressed in USD of a Generic Drugs Related Company is equal to that of another Generic Drugs Related Company, then the Generic Drugs Related Company with the highest ADT 3M will be ranked higher.
5. The ranking must contain a number of Generic Drugs Related Companies greater than or equal to the Minimum Number of Index Components. If this condition is not fulfilled, then the Index ceases to exist.
6. Generic Drugs Related Companies with a ranking of 1 to 7 will be selected for inclusion in the Index by definition, regardless of whether these Generic Drugs Related Companies are already included in the Index.
7. Generic Drugs Related Companies ranked 8 or lower, if any, will be selected for inclusion in the Index until the number of Index Components is equal to the Target Number.
8. Generic Drugs Related Companies ranked 13th or lower will not be selected for inclusion in the Index, but shall be included in the Reserve Universe.

ABN AMRO may, but is not obliged to, refuse to include in the Index such Generic Drugs Related Companies selected by the Index Calculator for notional inclusion in the Index which does not comply with the Selection Procedure or due to Technical Constraints.

A Share Company with more than one listing will not be included more than once in the Index. When selecting a particular class of a company's shares, the class of shares with the highest value of ADT 3M will be selected

Shares shall be weighted equally with effect from the Re-weighting Date.

The basis for the re-weighting shall be the Prices of the Shares from Re-weighting Date.

(Index Value) before rebalance = (Index Value) after rebalance

## 7. Reserve Universe

On the Index Launch Date, the Reserve Universe shall comprise Qualifying Share Companies, which are not included in the Index (each a **Reserve Universe Component** and together the **Reserve Universe Components**) but nevertheless qualify for selection in the Index in accordance with the Selection Criteria set out in 4.

The Reserve Universe Components are ranked according to the total market capitalisation expressed in USD (highest to lowest). The company with the highest total market capitalisation expressed in USD is listed first with a rank equal to 1. If the total market capitalisation expressed in USD of a company is equal to that of another company, then the company with the highest ADT 3M will be ranked higher.

## 8. Index Component Substitution

If a Substitution Event occurs, the Affected Index Component shall be substituted by a Reserve Universe Component on the Substitution Date, subject to a Market Disruption Event.

The Index Calculator shall substitute for such relevant outgoing Share a New Share with effect from the Substitution Date according to the following:

- (i) Inclusion of the next eligible Qualifying Share of the Reserve Universe, which is ranked highest; and
- (ii) If no Qualifying Share exists the Index Component Value of such outgoing Share will be notionally invested pro rata in the remaining Index Components; and

The basis for the substitution shall be the respective Transaction Prices of the Trading Day preceding the relevant Substitution Date.

If the number of Index Components following a Substitution Event is smaller than the Minimum Number of Index Components, then the Index ceases to exist.

## 9. Publication of the Index

The daily prices of the Generics Index will be published on Bloomberg page ABNZGPHA and on Reuters page .ABNZGPHA.

## 10. Market Disruption Pertaining to Index Calculation or Re-weighting

If, in the determination of the Index Calculator, a Market Disruption Event has occurred on any Business Day, the Index Value will be calculated and published by the Index Calculator on the first succeeding Business Day, on which the Index Calculator determines that there is no Market Disruption Event, unless the Index Calculator determines that there is a Market Disruption Event occurring on each of the 180 Business Days immediately following the original Business Day on which (but for the Market Disruption Event) the Index Value would have been calculated and published by the Index Calculator. In that case (regardless of the Market Disruption Event) the Index Calculator shall determine the Price of the Share affected by the Market Disruption Event and the Index Value having regard to the then prevailing market conditions, the last reported trading price of the respective Shares and such other factors as the Index Calculator determines to be relevant.

If, in the determination of the Index Calculator, a Market Disruption Event has occurred on any Re-weighting Date or a Substitution Date, the Re-weighting or substitution shall be postponed to the first succeeding Trading Day on which the Index Calculator determines that there is no Market Disruption Event, unless the Index Calculator determines that there is a Market Disruption Event occurring on each of the 180 Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Re-weighting Date or Substitution Date. In that case (i) the 180th Trading Day shall be deemed to be the Re-weighting Date or Substitution Date (regardless of the Market Disruption Event); and (ii) the Index Calculator shall determine the Price of the Share affected by the Market Disruption and the Index Value having regard to the then prevailing market conditions, the last reported trading price of the respective Index Components and such other factors as the Index Calculator determines to be relevant.