

Pricing Supplement

**International Bank for Reconstruction and Development**

Global Debt Issuance Facility

No. 3540

EUR 27,500,000 World Bank Eco Plus Note due 2014

ABN AMRO Bank N.V.

The date of this Pricing Supplement is 14 February 2008

This document ("**Pricing Supplement**") is issued to give details of an issue by International Bank for Reconstruction and Development (the "**Bank**") under its Global Debt Issuance Facility.

This Pricing Supplement supplements the terms and conditions in, and incorporates by reference, the Prospectus dated October 7, 1997 and all documents incorporated by reference therein (the "**Prospectus**"), and should be read in conjunction with the Prospectus. Unless otherwise defined in this Pricing Supplement, terms used herein have the same meaning as in the Prospectus.

## **Terms and Conditions**

The following items under this heading "Terms and Conditions" are the particular terms which relate to the issue the subject of this Pricing Supplement. These are the only terms which form part of the form of Notes for such issue:

1. No: 3540
2. Aggregate Principal Amount: EUR 27,500,000 and the Principal Amount being EUR 100.
3. Issue Price: 102%.
4. Issue Date: 21 February 2008.
5. Form of Notes (Condition 1(a)): Bearer Notes only.
6. Authorised Denominations (Condition 1(b)): EUR 100.
7. Specified Currency (Condition 1(d)): Euro ("**EUR**").
8. Specified Principal Payment Currency (Conditions 1(d) and 7(i)): EUR.
9. Specified Interest Payment Currency (Conditions 1(d) and 7(i)): EUR.
10. Maturity Date: The later of 24 February 2014 and the 6<sup>th</sup> Relevant Business Day following the Final Valuation Date (as defined below under 14(g)).
11. Redemption Month (Condition 6 a): February 2014.
12. Interest Basis (Condition 5): Variable Interest Rate (see paragraph 14 below).
13. Interest Commencement Date (Condition 5(III)): 21 February 2008.
14. Variable Interest Rate (Condition 5(II)): Notwithstanding the provisions of Condition 5(II)(b) the Interest Rate for the relevant Interest Period, shall be determined by the Calculation Agent as soon as practicable on the relevant Interest Determination Date in accordance with the Formula set out in term 14(g) below.
  - (a) Calculation Amount: EUR 100.
  - (b) Business Day Convention: Unadjusted.

- (c) Interest Period: The period from and including 14 February in one year to and excluding 14 February in the next. For the avoidance of doubt, the first Interest Period will be from and including the Interest Commencement Date, to but excluding 14 February 2009 and the last Interest Period will be from and including 14 February 2013 to but excluding 14 February 2014.
- (d) Interest Payment Dates: 6 Relevant Business Days following the relevant Valuation Date (as defined below under 14(g)).
- (e) Calculation Agent: ABN AMRO Bank N.V., London Branch.
- (f) Interest Determination Date: Annually on each Valuation Date (as defined below under 14(g)).

(g) Formula:

$$\min(10\%; \max(3\% ; Return_t + reserve_t))$$

Whereby:

(i) "t" means Valuation Date t = 1...6;

(ii) "i" means: Monthly Observation Date i = 1...72;

(iii) "Io" means: the closing level of the Index on 14 February 2008;

(iv) "Ii" means: the closing level of the Index on a Monthly Observation Date I;

(v) "Return<sub>t</sub>" means  $\sum_{i=12 \times (t-1)+1}^{i=12 \times t} \min\left(Cap; \max\left[\frac{I_i}{I_{i-1}} - 1, floor\right]\right)$ ;

(vi) "Re<sub>serve</sub><sub>t</sub>" means:  $\min(return_{t-1}, 0)$ ;

(vii) "Return<sub>0</sub>" means: 0;

(viii) "Valuation Date t" means: the 14<sup>th</sup> February of each year, or if such date is not a Relevant Business Date the next following Relevant Business Date (which is expected to be 16 February 2009, 15 February 2010, 14 February 2011, 14 February 2012, and 14 February 2013, respectively), and the Final Valuation Date;

(ix) "Final Valuation Date" means: 14 February 2014 or if such date is not a Relevant Business Date the next following Relevant Business;

(x) "Monthly Observation Date i" means: the 14<sup>th</sup> day of each month or if such date is not a Relevant Business Date the next following Relevant Business, the first Monthly Observation Date being 14 March 2008 or if such date is not a Relevant Business Date the next following Relevant Business;

(xi) "*Cap*" means: 2%;

(xii) "*Floor*" means: -10%; and

(xiii) "*Index*" means: subject to term 28 below, the ABN AMRO Eco Price Return Index as calculated and published on any Relevant Business Day by Standard & Poors (or such other person responsible for calculating the Index as replaced or substituted, from time to time in accordance with the Index methodology, the "**Index Calculator**") on behalf of ABN AMRO N.V. (the "**Index Sponsor**"). The first publication of the closing level of the Index by the Index Calculator for a given Valuation Date shall be final. Any corrections or revisions shall be disregarded.

15.	Other Variable Interest Rate Terms (Conditions 5(II) and (III):	
	(a) Minimum Interest Rate	3%.
	(b) Maximum Interest Rate:	10%.
	(c) Spread:	Not applicable.
	(d) Spread Multiplier:	Not applicable.
	(e) Variable Rate Day Count Fraction:	Not applicable.
	(f) Relevant Banking Centre:	London.
16.	Relevant Financial Centre:	London, TARGET.
17.	Relevant Business Days:	London, TARGET, New York.
18.	Redemption Amount (Condition 6(a)):	Principal Amount.
19.	Issuer's Optional Redemption (Condition 6(e)):	No.
20.	Redemption at the option of the Noteholders (Condition 6(f)):	No.
21.	Long Maturity Note (Condition 7(f)):	No.
22.	Unmatured Coupons Void:	No.
23.	Talons for future coupons to be attached to the Definitive Bearer Notes (Condition 7(h)):	No.
24.	Prescription (Condition 8):	
	(a) Principal:	10 years.
	(b) Interest:	5 years.
25.	Early Redemption Amount (Condition 9):	The Principal Amount plus accrued interest to, but excluding, the redemption date, payable in EUR.
26.	Governing Law of the Notes:	English.
27.	Agents:	In relation to these Notes only, ABN AMRO Bank N.V. will act as Calculation Agent and Citibank N.A. London Branch will act as Global Agent and Paying Agent.

28. Additional Provisions Relating to the Index:

**General**

A detailed description of the Index can be found on [www.abnamromarkets.be](http://www.abnamromarkets.be) and [www.abnamromarkets.com](http://www.abnamromarkets.com). General information on the Index is provided in Annex 2 to this Pricing Supplement, and is being provided for informational purposes only. The Bank makes no representation or warranty, whether express or implied, as to the completeness or accuracy of such information.

ABN AMRO Bank N.V. ("**ABN AMRO**") has developed, maintained and is responsible for the methodology that is employed in connection with the Index. Standard and Poor's ("**S&P**") has provided consulting services to ABN AMRO and performs calculations and data distribution in connection with the Index. Vigeo SAS ("**Vigeo**") exclusively measures the performance of Index components with respect to sustainable development and social responsibility and conducts audits on the Index components. International Bank for Reconstruction and Development (together with its affiliates "**World Bank**") makes no representation, warranty or assurance of any kind, express or implied, as to the accuracy or completeness of the Index, any data included therein, any data from which it is based, or any services provided by ABN AMRO, S&P or Vigeo in connection with the Index. World Bank accepts no obligation to update or correct the Index or any data or services relating to the Index. No act or omission of ABN AMRO, Vigeo, S&P or any of their directors, officers, employees or agents in relation to the Index or any data or services relating to the Index shall constitute, or be deemed to constitute, a representation, warranty or undertaking of or by World Bank. World Bank shall have no liability for any errors, omissions, or interruptions in the Index. World Bank makes no warranty, express or implied, as to results to be obtained from the use of the Index. Without limiting any of the foregoing, in no event shall World Bank have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if

notified of the possibility of such damages, resulting from any action, omission, data or services provided by ABN AMRO, S&P or Vigeo in connection with the Index.

### **Adjustments to Index**

(a) Notification: The Bank shall as soon as reasonably practicable give instructions to the Global Agent to notify the holders of Notes: (i) if the Calculation Agent determines that an Index Adjustment Event (as defined below) has occurred; and (ii) of the Calculation Agent's determination as to the consequence of such Index Adjustment Event.

(b) If, in respect of the Notes, the Index is (i) not calculated and announced by the Index Calculator but is calculated and announced by a successor calculator acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.

(c) If (i) on or prior to any Valuation Date in respect of the Notes, the Index Calculator or the Index Sponsor announces that it will make a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation and other routine events) (an "**Index Modification**") or permanently cancels the Index and no Successor Index exists (an "**Index Cancellation**") or (ii) on any Valuation Date, the Index Calculator fails to calculate and announce the Index (an "**Index Disruption**") and together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then, the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the relevant Variable Interest Rate using, in lieu of a published level for the Index, the level for the Index on that

Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event.

## Other Relevant Terms

1. Listing: Yes – the regulated market of the Luxembourg Stock Exchange.
2. Details of Clearing Systems approved by the Bank and the Global Agent and Clearance and Settlement Procedures: Euroclear Bank N.V./S.A., as operator of the Euroclear System and Clearstream Banking S.A. Payment for the Notes will be on a payment versus delivery basis.
3. Syndicated: No.
4. Commissions and Concessions: An up-front fee of 2 per cent. of the Aggregate Principal Amount which will be deducted from the issue proceeds on the Issue Date.  
The annual cost will be 30 basis points (0.3%) of the Principal Amount.
5. Codes:
  - (a) Common Code: 033958161.
  - (b) ISIN: XS0339581612.
6. Identity of Dealer: ABN AMRO Bank N.V., London Branch.
7. Provisions for Bearer Notes:
  - (a) Exchange Date: 1 April 2008.
  - (b) Permanent Global Note: Temporary Global Note will be exchanged for Permanent Global Note after 40 days and upon receipt of relevant certification from the Clearing Systems.
  - (c) Definitive Bearer Notes: No.
8. Specified Currency Requirements: Not Applicable.
9. Other Address at which Bank Information available: ABN AMRO Markets  
Postbus 283 (HQ 7004)  
1000 EA Amsterdam  
Netherlands  
[www.abnamromarkets.be](http://www.abnamromarkets.be) and  
[www.abnamromarkets.com](http://www.abnamromarkets.com)  
Fortis Bank N.V.  
Warandeborg 3  
1000 Brussel

Belgium

[www.fortis.be](http://www.fortis.be) and [www.fortis.lu](http://www.fortis.lu)

## **General Information**

The Bank's latest Information Statement was issued on September 14, 2007

### *Notices*

All notices regarding the Notes shall be published on the website of the Luxembourg Stock Exchange so long as the Notes are listed on the regulated market of the Luxembourg Stock Exchange.

This paragraph supplements, and to the extent inconsistent therewith, supersedes the summary entitled "Notices" in the Prospectus.

### *Modification, withdrawal and cancellation*

The Bank reserves the right, prior to the Issue Date, in its absolute discretion to withdraw, cancel or modify the offer of the Notes ("**Cancellation**"). The Bank may cancel the Notes without notice and will notify prospective investors Cancellation after such Cancellation has occurred. In the event that the Notes are not issued, no subscription monies shall be payable by prospective purchasers to the Bank (either directly or indirectly through a broker, financial adviser, banker, financial intermediary or other agent acting in such a capacity (each a "**Selling Agent**")) in respect of the Notes. Prospective purchasers should contact their Selling Agent of choice for details of the arrangements for the return of application monies in such circumstances. The Bank shall have no responsibility for, or liability arising out of, the relationship between prospective purchasers and their respective Selling Agents and clearing system operators, including, without limitation, in respect of arrangements concerning the return of monies by such persons to their clients.

## **S&P Index Disclaimer**

STANDARD & POOR'S DOES NOT GUARANTEE THE ACCURACY AND/OR COMPLETENESS OF THE ABN AMRO ECO PRICE RETURN INDEX, ANY DATA INCLUDED THEREIN, OR ANY DATA FROM WHICH IT IS BASED, AND STANDARD & POOR'S SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. STANDARD & POOR'S MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED FROM THE USE OF THE ABN AMRO ECO PRICE RETURN INDEX. STANDARD & POOR'S MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE ABN AMRO ECO PRICE RETURN INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL STANDARD & POOR'S HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. ABN AMRO HAS DEVELOPED, MAINTAINED AND IS RESPONSIBLE FOR THE METHODOLOGY THAT IS EMPLOYED IN CONNECTION WITH THE ABN AMRO ECO PRICE RETURN INDEX. STANDARD & POOR'S ROLE IS LIMITED TO PROVIDING CONSULTING SERVICES TO ABN AMRO AND PERFORMING CALCULATIONS AND DATA DISTRIBUTION IN CONNECTION WITH THE ABN AMRO ECO PRICE RETURN 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 ECO TR 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 ABN AMRO BANK N.V. OR THE INVESTMENT FUND OR VEHICLE.

## **CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES**

*United States Internal Revenue Service Circular 230 Notice:* To ensure compliance with Internal Revenue Service Circular 230, prospective investors are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this Pricing Supplement, the Prospectus or any other document referred to herein is not intended or written to be used, and cannot be used by prospective investors for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code; (b) such discussions are written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.

***This summary supplements, and to the extent inconsistent therewith, supersedes the summary entitled "Tax Matters" in the Prospectus.***

Under the provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003 ("JAGTRRA"), a capital gain of a noncorporate United States Holder that is recognised before 1 January 2009 is generally taxed at a maximum rate of 15% for property that is held more than one year. Holders should consult their tax advisors with respect to the provisions of JAGTRRA.

The following additional selling restrictions apply to the issue:

1. United States: TEFRA D Rules apply.  
The Notes are subject to United States tax law restrictions. Notes may not be offered, sold or delivered, directly or indirectly, within the United States or to United States persons except to the extent permitted in the Terms Agreement.
2. United Kingdom: The Dealer has represented and agreed that it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.
3. The Netherlands: Notes which qualify as savings certificates as defined in the Savings Certificates Act (*Wet inzake spaarbewijzen*) may only be transferred or accepted through the mediation of either the Bank or an admitted institution of Euronext Amsterdam N.V. with due observance of the Savings Certificates Act and its implementing regulations (including registration requirements),

provided that no mediation is required in respect of:

- (a) the initial issue of those Notes to the first holders thereof;
- (b) any transfer and delivery by individuals who do not act in the conduct of a profession or trade; and
- (c) the issue and trading of those Notes, if they are physically issued outside The Netherlands and are not distributed in The Netherlands in the course of primary trading or immediately thereafter.

The following additional risk factors relating to conflict of interest apply to the issue.

#### **ACTIONS TAKEN BY ABN AMRO BANK N.V. MAY AFFECT THE VALUE OF THE NOTES**

ABN AMRO Bank N.V., as Calculation Agent, will play several different roles in connection with the Notes. ABN AMRO Bank N.V. will act as Dealer and will have responsibility for making various calculations and determinations as set out above under 14 (Variable Interest Rate). ABN AMRO Bank N.V. will also be the Bank's counterparty in a swap transaction entered into by the Bank in order to hedge its obligations under the Notes. The existence of such multiples roles and responsibilities for ABN AMRO Bank N.V. creates possible conflicts of interest. For example, the amounts payable by ABN AMRO Bank N.V. to the Bank under the swap transaction are calculated on the basis of the amounts payable by the Bank under the Notes. Therefore, the determinations made by ABN AMRO Bank N.V. in respect of the Notes as Calculation Agent may affect the amounts payable by ABN AMRO Bank N.V. under the swap transaction, and, in making such determinations, ABN AMRO Bank N.V. may have economic interests adverse to those of the holders of the Notes.

ABN AMRO Bank N.V. and/or any of its affiliates, as lead manager, may carry out activities that minimise its and/or their risks related to the Notes, including effecting transactions for their own account or for the account of their customers and hold long or short positions in the securities included within the Index whether for risk reduction purposes or otherwise. In addition, in connection with the offering of any Notes, ABN AMRO Bank N.V. and/or any of its affiliates may enter into one or more hedging transactions with respect to the Index. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the ABN AMRO Bank N.V. and/or any of its affiliates, ABN AMRO Bank N.V. and/or any of its affiliates may enter into transactions which may affect the market price, liquidity or value of the Index and/or the Notes and which could be deemed to be adverse to the interests of the holders of the Notes. ABN AMRO Bank N.V. and/or its affiliates are likely to modify their hedging positions throughout the life of the Notes whether by effecting transactions in the Index or in securities or derivatives linked to the Index. Further, it is possible that the advisory services which ABN AMRO Bank N.V. and/or its affiliates provide in the ordinary course of its/their business could lead to an adverse impact on the value of the Index.

The Calculation Agent or its affiliates have also published and expect to continue to publish research reports regarding some or all of the issuers of the securities included within the Index. This research is modified periodically without notice and may express opinions or provide recommendations that may affect the price of any of the securities included within the Index and, consequently, the market price of the Notes and the Interest Amount.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By:

## ANNEX 1

This Annex is to be read in conjunction with and forms part of the Prospectus and the Pricing Supplement.

The following summary answers some questions that you might have regarding the Notes, in general terms only. It does not contain all the information which may be important to you. You should read the terms and conditions of the Notes included in the Prospectus, the Pricing Supplement and the summary together with the more detailed information contained in the remainder of the Prospectus. You should carefully consider, amongst other things, the risks set out in the Prospectus. In addition, we urge you to consult with your investment, legal, accounting, tax and other advisors with respect to any investment in the Notes. The information contained in this section is subject in its entirety to the terms and conditions of the Notes included in the Prospectus and the Pricing Supplement.

### **What are the Notes?**

The Notes are issued by the International Bank for Reconstruction and Development (the "**Bank**"). A Note entitles the holder to receive the Principal Amount of EUR 100. On the Maturity Date, the Bank will redeem your Notes by paying to you an amount equal to the Principal Amount per Note. As the Notes have a minimum payout of the Principal Amount on the Maturity Date, the Bank is also the entity which protects the payment on the Maturity Date of no less than that Principal Amount. The principal is not at risk if the Notes are held to maturity, subject to Bank credit risk.

### **Where does my money go?**

The money is paid to the Bank and used by the Bank for its general corporate purposes. The issue price per Note is EUR 102. The Notes entitle the holder to receive the Principal Amount per Note from the Bank on the Maturity Date.

### **Will I receive income?**

Yes, the Notes are interest-bearing and entitle the investor to receive the Interest Amount payable annually in arrears from February 2009.

### **Is there a minimum Interest Amount?**

Yes, the Interest Amount is an annually variable interest payment and has a minimum of 3% of the Principal Amount per Note and a maximum 10% of the Principal Amount per Note. This means that each year an Interest Amount of at least EUR 3 per Note will be paid to the investor.

**How is the Interest Amount calculated?**

Holders are entitled to a variable annual interest amount, which is calculated as a percentage of the Principal Amount per Note. In the first year this percentage is equal to the sum of twelve monthly observations of the performance of the Index. Each monthly performance of the Index relevant for the calculation of the annual interest amount has a cap of 2% and a floor of -10%. This means that a maximum of 2% of the increase of the Index or, where applicable, a maximum of 10% of the decrease of the Index between the relevant monthly observation date and the preceding monthly observation date will be taken into account for the calculation of the annual Interest Amount. However, it should be noted that the annual interest amount will never be less than 3%. This means that even if the sum of the twelve monthly observations of the Index performance during the first year is less than zero, the annual interest amount will be 3% and the investor will receive EUR 3 per Note. However, the negative result will be reserved and added to the sum of the twelve monthly observations of the Index performance relating to the following year, provided that the minimum annual interest amount of 3% also applies to the Interest Amount relating to the second and following years.

The initial Index Level will be the level on the Index published by the Index Calculator (as defined below) on 14 February 2008. The first monthly observation date will be 14 March 2008 and subsequent observation dates will be monthly anniversaries thereof.

**Is there a limit on how much I can earn over the life of the Notes?**

Yes, there is a cap on the potential investment return. The interest amount per annum cannot be more than 10% of the Principal Amount.

**How does the Index link to the Notes?**

Holders of the Notes are entitled to an annual interest amount, which is calculated as a percentage of the Principal Amount based on monthly observations of the performance of the Index. The initial Index Level will be the level on the Index published by the Index Calculator on 14 February 2008. The first observation of the Index Level will be on 14 March 2008.

**Do I have any right to receive any of the assets in the Index?**

No. The Notes are cash settled only.

**Who is ABN AMRO Bank N.V and what is its role?**

ABN AMRO Bank N.V. is the Calculation Agent for the Notes. As Calculation Agent for the Notes, ABN AMRO Bank N.V. monitors the risk and makes all calculations and determinations under the Notes. ABN AMRO Bank N.V. is a global banking group based in the Netherlands. For detailed information please see [www.abnamro.com](http://www.abnamro.com). Its long-term senior debt rating is, as at the date hereof, Aa2 (Moody's Investor Services) and AA- (S&P).

### **Can I redeem early?**

There is no provision in the Notes for a holder's early redemption. However, ABN AMRO Bank N.V., London branch has informed the Bank that it will, on a best efforts basis, repurchase and re-offer the Notes in the secondary market prior to the Maturity Date at a value to be determined by ABN AMRO Bank N.V.

### **What happens on the Maturity Date?**

The Notes will be redeemed on the Maturity Date at 100% of the Principal Amount.

### **What fees are there?**

An up-front fee of 200 basis points (2%) of the Principal Amount per Note will be retained out of the issue proceeds. In addition, the annual cost in connection with the Note will be 30 basis points (0.3%) of the Principal Amount per Note.

### **How will the fees impact my investment?**

The up-front fee will be retained out of the issue proceeds. The issue price of the Notes will therefore differ from the Principal Amount redeemed on the Maturity Date. In addition, holders of the Notes pay annual costs in the amount of 30 basis points of the Principal Amount per Note.

### **What is the Bank's credit rating?**

The Bank's long-term senior debt rating is, as at the date hereof, Aaa (Moody's Investor Services) and AAA (S&P). Investors should note, however, that the ratings may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Notes. 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.

### **What are some of the risks in owning the Notes?**

Investing in the Notes involves a number of risks. We have described the most significant risks relating to the Notes in the Prospectus and the Pricing Supplement. Further selected risk considerations include:

- **CREDIT RISK**

The Notes constitute general unsecured contractual obligations of the Bank. In purchasing the Notes you would assume the credit risk of the Bank. Investors do not have any rights under the Notes against any other person, including the Index Calculator and ABN AMRO Bank N.V.

- **MARKET RISK**

The value of the Notes in the secondary market will be affected by prevailing market conditions. The price at which an investor will be able to sell its Notes prior to their redemption may be at a potentially substantial discount to the market value of the Notes on the Issue Date depending upon the performance of the Index at the time of sale.

- **RELIANCE ON THE INDEX**

The Interest Amount is dependent upon the performance of the Index. Positive performance is not assured and historic data is not necessarily a guide to future performance.

### **Is there Currency Risk?**

The Index may hold assets in a variety of currencies and the trading price of all or part of the Index may or may not be determined in the same currency. Where the trading price of the relevant Index is quoted in a currency other than EUR, these amounts will be converted to amounts in EUR for the purpose of determining the level of the Index and thus the Interest Amount at any time.

### **Are the Notes a suitable investment for me?**

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:

- (a) 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 the Prospectus and the Pricing Supplement;
- (b) 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;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of the Index; and

- (e) 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.

**Will I always be able to sell my Notes in a secondary market prior to the Maturity Date?**

The nature and extent of any secondary market in the Notes cannot be predicted. As a consequence, any person intending to hold the Notes should consider liquidity in the Notes as a risk. ABN AMRO Bank N.V. may affect the liquidity of the Notes by purchasing and holding the Notes for its own account during trading in the secondary market. Any such Notes may be resold at any time into the market.

**Are there any taxes payable by me in relation to the Notes?**

Potential purchasers and sellers of the Notes should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Notes are transferred. Potential purchasers who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

**Where and in which form are the Notes held?**

The Notes will initially be held by Euroclear Bank N.V./S.A. and Clearstream Banking S.A. (the "**Clearing Systems**") in the form of a global note which will be exchangeable for definitive securities only in the exceptional circumstances described in the Prospectus. For as long as any Notes are held by the Clearing Systems, payments of the Principal Amount and the Interest Amounts and any other amounts will be made through the Clearing Systems. Investors must therefore rely on the Clearing System to distribute all payments attributable to the Notes which are received from the Bank. Accordingly, investors will be exposed to the credit risk of, and default risk in respect of, the Clearing Systems, as well as the Bank. Investors should note that neither the Bank nor the Paying Agent shall be responsible for the acts or omissions of the Clearing Systems. Furthermore, investors should be aware of the fact that the Clearing Systems 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 or delivery of notes. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the Notes.

**ANNEX 2**

The information contained in this Annex 2 (including, website addresses and details of publication methods and dates) is stated as at the date of issue of the Notes only, and is subject to change. This information has been compiled using publicly available sources. The Bank makes no representation or warranty, whether express or implied, as to the completeness or accuracy of such information.

The description and methodology of the Index can be found on [www.abnamromarkets.be](http://www.abnamromarkets.be) and [www.abnamromarkets.com](http://www.abnamromarkets.com). The Index was launched on 8 May 2007 and comprises of the shares in thirty listed companies (the "**Index Companies**") which generate at least 25% of their total revenue from the following eight business sectors which have an impact on the climate change and the environment; ethanol, geothermal power and other alternative fuels, hydroelectric power, platinum and palladium mining, solar power, water, waste management or wind power (the "**Sectors**"). In addition, the Index Companies must have a market capitalisation which is greater than EUR 600 million (or an equivalent thereof in another currency), an average daily value traded per security of EUR 1 million (or an equivalent thereof in another currency) and comply with the ethical criteria determined by the Screening Agent (please refer to *Who is VIGEO and what is its role?* below). The components of the Index will initially be equally weight in each Sector. The Sectors are initially weighted as follows:

Sector	Sector Weight
Ethanol	8.00%
Hydroelectric Power	10.50%
Geothermal - Alternative Fuels	8.50%
Platinum and Palladium Mining	10.00%
Solar Power	8.00%
Water	25.00%
Waste Management	20.00%
Wind Power	10.00%

#### **How does the re-weighting of the Index work?**

Every six months (in February and August) the notional composition of the Index will be reviewed and the index components will be re-weighted by the Index Calculator. The Index Calculator determines at its sole and absolute discretion whether an Index Company complies with the selection criteria described above under '*What is the Index?*'. The Index will at any time comprise the shares in at least fifteen Index Companies and at least five Sectors are represented in the Index. In addition, on an annual basis (in February) the sector weight will re-weighted by the Index Calculator by taking in account the market capitalisation of the Index Companies.

**Who is the Index Calculator and what is its role?**

Standard & Poor's located at 55 Water Street, New York, NY 10041, is the Index Calculator. The Index Calculator determines the composition of the Index and is responsible for the semi-annual re-weighting of the Index (see above '*How does the re-weighting of the Index work?*').

In addition, the value of the Index will be calculated on a daily basis by the Index Calculator and published on Bloomberg page ABNZESEP and Reuters pages .ABNZESEP and .ABNZESUP.

**Who is VIGEO and what is its role?**

VIGEO SAS and/or FORUM ETHIBEL asbl. are the Screening Agent. The Screening Agent reviews the Index Companies and determines whether the Index Companies meet the socially responsible investment criteria determined by the Screening Agent at its sole and absolute discretion. The ethical criteria are published on [www.vigeo.com](http://www.vigeo.com).

**What happens to distributions made by the Index Companies?**

The Index is designed to reflect the price performance of the shares in the Index Companies. This means that dividends and similar income will not be included in the calculation of the value of the Index. Distributions categorised as extraordinary or greater than eight percent of the then current price of the shares in the relevant Index Company are notionally reinvested proportionally to their weight in the Index.

**How can I track the Index?**

ABN AMRO Bank N.V. will publish a chart of the historic value of the Index on internet page [www.abnamromarkets.be](http://www.abnamromarkets.be) and [www.abnamromarkets.com](http://www.abnamromarkets.com).

**What was the past performance of the Index?**

The Index was launched on 8 May 2007. However, the below graph shows what the performance of the Index would have been, based on back testing and scenario analyses.

