

LAUNCHPAD PROGRAMME

OFFERING SUPPLEMENT NR. 118

DATED 23 SEPTEMBER 2002



100,000 OPEN-ENDED AMEX DEFENSE INDEX CERTIFICATES

PURSUANT TO THE ABN AMRO LAUNCHPAD PROGRAMME

ISSUE PRICE: EUR 57.76

PROSPECTIVE PURCHASERS OF THE SECURITIES DESCRIBED IN THIS DOCUMENT SHOULD ENSURE THAT THEY UNDERSTAND FULLY THE NATURE OF THE SECURITIES AND THE EXTENT OF THEIR EXPOSURE TO THE RISKS ASSOCIATED WITH THE SECURITIES. THE MARKET PRICE AND / OR VALUE OF THE SECURITIES MAY BE VOLATILE AND HOLDERS OF THE SECURITIES MAY SUSTAIN A TOTAL LOSS IN THE VALUE OF THEIR INVESTMENT (UNLESS THE SECURITIES ARE OF A TYPE IN WHICH CAPITAL IS PROTECTED). PROSPECTIVE PURCHASERS NEED TO CONSIDER THE SUITABILITY OF AN INVESTMENT IN THE SECURITIES IN LIGHT OF THEIR OWN FINANCIAL, FISCAL, REGULATORY AND OTHER CIRCUMSTANCES. PLEASE REFER TO THE “RISK STATEMENT” IN SECTION I OF THE PROGRAMME AND TO “SELLING RESTRICTIONS” ALSO IN SECTION I OF THE PROGRAMME.

Under its LaunchPAD Programme (the “**Programme**”) ABN AMRO Bank N.V. (the “**Issuer**”) incorporated in The Netherlands with its statutory seat in Amsterdam, acting through its principal office or its branch in London or such further or other branches as it may specify may from time to time issue securities relating to shares and/or indices and/or debt securities and/or currencies and/or commodities (each an “**Underlying**”). Pursuant to a declaration under Article 2:403 of the Netherlands Civil Code, ABN AMRO Holding N.V. (“**Holding**”) is jointly and severally liable with the Issuer for the Issuer’s obligations under this Programme. The Issuer has now determined to issue 100,000 Open-End AMEX Defense Index Certificates (the “**Securities**”) as described in the related offering supplement (the “**Offering Supplement**”). The Securities are issued upon the terms and subject to the product conditions (the “**Product Conditions**”) set out in the applicable Offering Supplement and the general conditions (the “**General Conditions**”) set out in the Programme. The Product Conditions and the General Conditions shall together be referred to as the “**Conditions**”. References to the “**Underlying**” shall be construed as references to the asset(s) specified in the applicable Offering Supplement.

Application may be made to include the Securities for trading on the free-market of the Frankfurt stock market and the European Warrant Exchange (“**EUWAX**”) of the Stuttgart Exchange (the “**Exchanges**” and each an “**Exchange**”). For the purposes of compliance with the national laws and regulations of any country into which offerings of the Securities is proposed to be made, the Offering Supplement may have attached to it one or more country supplements (each a “**Country Supplement**”). The attachment of one or more Country Supplements shall not preclude the attachment of further Country Supplements from time to time. References to “this document” shall, unless the context requires otherwise, include the applicable Country Supplement and Offering Supplement.

Subject to the rules and regulations of any securities exchange on which the Securities are officially listed or quoted, the Securities may be sold by the Issuer at such times and at such prices as the Issuer may select. There is no obligation on the Issuer to sell all of the Securities. The Securities may be offered or sold in one or more transactions at the discretion of the Issuer.

The LaunchPAD Programme is dated 28 February, 2002 and provides information with respect to a range of financial instruments which are capable of issue under it. This Offering Supplement constitutes in relation to the Securities only, a completed version of the LaunchPAD Programme. This Offering Supplement is dated 23 September 2002.

Subject as set out with respect to the Underlying (as to which, please refer to “Information Relating to the Underlying”), the Issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Neither the Issuer nor Holding has authorised the making or provision of any representation or information regarding the Issuer, Holding, or any Securities. Neither the delivery of this document nor the delivery of any Offering Supplements nor any information provided in the course of a transaction in Securities shall, in any circumstances, be construed as a basis for credit or risk evaluation with respect to the Issuer or Holding or a recommendation by the Issuer or Holding to enter into any transaction with respect to any Securities. Each prospective investor contemplating a purchase of Securities should make its own independent investigation of the risks associated with a transaction involving any Securities.

The delivery of this document does not at any time imply that there has been no change in the affairs of the Issuer or Holding since the date of this Programme.

The distribution of this document and the offering, sale and delivery of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Securities and the distribution of this document and other offering material relating to the Securities please refer to “Selling Restrictions” in Section I.

In connection with the issue and the distribution of any Securities, any one manager (the “**Manager**”) appointed by the Issuer or any person acting for it may over-allot or effect transactions with a view to supporting the market price of the Securities at a higher level than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on the Manager or any other person to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall also be in compliance with all relevant laws and regulations including the Securities Market Supervision Rules 1999 (*Nadere Regeling toezicht effectenverkeer 1999*) in The Netherlands. Subject to the rules of the exchange and any applicable market practices, stabilisation may be effected in accordance with the rules and practices and, in any event, if commenced will be discontinued 30 days after the issuance of the Securities.

SUMMARY OF OFFERING

Issuer:	ABN AMRO Bank N.V., London Branch
Number of Securities:	100,000
Underlying:	AMEX Defense Index (Reuters Code: .DFII)
Issue Price:	EUR 57.76
Entitlement	0.1
Final Reference Price:	The level of the Index (expressed in the relevant currency) at the Valuation Time on the Valuation Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction (subject to adjustment in accordance with Product Condition 4)
Valuation Date:	The last Trading Day of March in the relevant year, commencing March 2003
Settlement:	Cash
Settlement Date:	5 Business Days following the Valuation Date
Cash Amount:	Final Reference Price multiplied by the Entitlement
Calculation Agent:	ABN AMRO Bank N.V. London Branch
Principal Agent:	ABN AMRO Bank N.V. London Branch
Clearing:	Clearstream Banking AG, Frankfurt, Euroclear Bank S.A., and Clearstream Banking S.A.
ISIN	DE0009279943
WKN	927994

CONDITIONS: GENERAL CONDITIONS

The General Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the Product Conditions (whether or not attached to this document). The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on the Definitive Securities or attached to the Global Security representing the Securities.

1. DEFINITIONS

Terms in capitals which are not defined in these General Conditions shall have the meanings ascribed to them in the Product Conditions.

2. STATUS

The Securities constitute unsecured and unsubordinated obligations of the Issuer and rank *pari passu* 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. EARLY TERMINATION

The Issuer shall have the right to terminate the Securities if it shall have determined in its absolute discretion that for reasons beyond its control its performance thereunder shall have become unlawful in whole or in part as a result of compliance in good faith by the Issuer with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power (“**Applicable Law**”). In such circumstances the Issuer will, however, if and to the extent permitted by applicable law, pay to each Holder in respect of each Security held by him an amount calculated by it as the fair market value of the Security immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any related hedging arrangements. Payment will be made to the Holder in such manner as shall be notified to the Holder in accordance with General Condition 4.

4. NOTICES

(a) Validity. Unless otherwise specified in an Offering Supplement, announcements to Holders will be valid if delivered to the Clearing Agent(s).

- (b) Delivery. Any such announcement issued pursuant to General Condition 4(a) shall be deemed to be effective on the day following its delivery to the Clearing Agent (and if delivered to more than one Clearing Agent on the date first delivered to a Clearing Agent) or, if published as specified in the relevant Offering Supplement on the date of such publication (and if published in more than one country then on the date first published).

5. PURCHASES ,FURTHER ISSUES BY THE ISSUER AND PRESCRIPTION

- (a) Purchases. The Issuer may at any time purchase Securities at any price in the open market or by tender or private treaty. Any Securities so purchased may be held, surrendered for cancellation or reissued or resold, and Securities so reissued or resold shall for all purposes be deemed to form part of the original series of Securities.
- (b) Further Issues. The Issuer shall be at liberty from time to time without the consent of the Holders or any of them to create and issue further securities so as to be consolidated with and form a single series with the Securities.
- (c) Prescription. Any Security or Coupon which is capable of presentation and is not so presented by its due date for presentation shall be void, and its value reduced to zero, if not so presented within five years of such due date. For the avoidance of doubt, any Securities which are subject to provisions relating to their exercise shall be void, and their value shall be zero, if not exercised in accordance with their provisions.

6. DETERMINATIONS AND MODIFICATIONS

- (a) Determinations. Any determination made by the Issuer shall (save in the case of manifest error) be final, conclusive and binding on the Holders.
- (b) Modifications. The Issuer may without the consent of the Holders or any of them, modify any provision of the Conditions which is (1) of a formal, minor or technical nature, (2) made to correct a manifest error, or (3) in its absolute discretion, not materially prejudicial to the interests of the Holders. Notice of any such modification will be given to the Holders in accordance with General Condition 4 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

7. SUBSTITUTION

(a) Substitution of Issuer. The Issuer may at any time, without the consent of the Holders substitute for itself as principal obligor under the Securities any company (the “**Substitute**”), being any subsidiary or affiliate of the Issuer, subject to: (1) the obligation of the Substitute under the Securities being guaranteed by ABN AMRO Holding N.V. (“ **Holding**”) (unless Holding is the Substitute); (2) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect; and (3) the Issuer having given at least 30 days’ prior notice of the date of such substitution to the Holders in accordance with General Condition 4. In the event of any substitution of the Issuer, any reference in the Conditions to the Issuer shall from such time be construed as a reference to the Substitute.

(b) Substitution of Office. The Issuer shall have the right upon notice to the Holders in accordance with General Condition 4 to change the office through which it is acting and shall specify the date of such change in such notice.

8. TAXATION

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other similar payment which may arise as a result of the ownership, transfer or exercise of any Securities. In relation to each Security the relevant Holder shall pay all Expenses as provided in the Product Conditions. All payments or, as the case may be, deliveries in respect of the Securities will be subject in all cases to all applicable fiscal and other laws and regulations (including, where applicable, laws requiring the deduction or withholding for, or on account of, any tax duty or other charge whatsoever). The Holder shall be liable for and/or pay, any tax, duty or charge in connection with, the ownership of and/or any transfer, payment or delivery in respect of the Securities held by such Holder. The Issuer shall have the right, but shall not be obliged, to withhold or deduct from any amount payable such amount, as shall be necessary to account for or to pay any such tax, duty, charge, withholding or other payment. Each Holder shall indemnify the Issuer against any loss, cost or other liability whatsoever sustained or incurred by the Issuer in respect of any such tax, duty, charge, withholding or other payment as referred to above in respect of the Securities of such holder.

9. REPLACEMENT OF SECURITIES AND COUPONS

If any Security or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Agent (or such other place of which notice shall have be given to Holders in accordance with General Condition 4) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Securities and Coupons must be surrendered before replacements will be issued.

10. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

(a) Redenomination. The Issuer may, without the consent of any Holder, on giving notice to the Holders in accordance with General Condition 4 elect that, with effect from the Adjustment Date specified in such notice, certain terms of the Securities shall be redenominated in euro. The election will have effect as follows:

(1) where the Settlement Currency is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, whether as from 1999 or after such date, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide and as may be specified in the notice, and after the Adjustment Date, all payments in respect of the Securities will be made solely in euro as though references in the Securities to the Settlement Currency were to euro;

(2) where the Conditions contain a rate of exchange or any of the Conditions are expressed in a currency (the “**Original Currency**”) of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, whether as from 1999 or after such date, such rate of exchange and/or any other terms of the Conditions shall be deemed to be expressed in or, in the case of a rate of exchange, converted for or, as the case may be into, euro at the Established Rate; and

- (3) such other changes shall be made to the Conditions as the Issuer may decide to conform them to conventions then applicable to instruments expressed in euro.
- (a) **Adjustment to Conditions.** The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with General Condition 4 make such adjustments to the Conditions as the Issuer may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Conditions.
- (b) **Euro Conversion Costs, etc.** Notwithstanding General Condition 10(a) and/or General Condition 10(b), none of the Issuer, the Calculation Agent and any Agent (including the Principal Agent) shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.
- (c) **Definitions Relating to European Economic and Monetary Union.** In this General Condition, the following expressions have the meanings set out below.
- “**Adjustment Date**” means a date specified by the Issuer in the notice given to the Holders pursuant to this Condition which falls, if the currency is that of a country not initially participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, on or after such later date as such country does so participate;
- “**Established Rate**” means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European community regulations) into euro established by the Council of the European Union pursuant to the first sentence of Article 123(4), formerly 109 L (4) of the Treaty;
- “**National Currency Unit**” means the unit of the currency of a country as those units are defined on the day before the start of the third stage of European Economic and Monetary Union pursuant to the Treaty or, in connection with the expansion of such third stage, to any country which has not initially participated in such third stage; and
- “**Treaty**” means the treaty establishing the European Community.

11. AGENTS

(a) Principal Agent and Agents. The Issuer reserves the right at any time to vary or terminate the appointment of any agent (the “**Agent**”) and to appoint further or additional Agents, provided that no termination of appointment of the principal agent (the “**Principal Agent**”) shall become effective until a replacement Principal Agent shall have been appointed and provided that, if and to the extent that any of the Securities are listed on any stock exchange or publicly offered in any jurisdiction, there shall be an Agent having a specified office in each country required by the rules and regulation of each such stock exchange and each such jurisdiction. Notice of any appointment, or termination of appointment, or any change in the specified office, of any Agent will be given to Holders in accordance with General Condition 4. Each Agent acts solely as Agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders or any of them. Any calculations or determinations in respect of the Securities made by an Agent shall (save in the case of manifest error) be final, conclusive and binding on the Holders.

(b) Calculation Agent. The Issuer shall undertake the duties of calculation agent (the “**Calculation Agent**” which expression shall include any successor Calculation Agent) in respect of the Securities unless the Issuer decides to appoint a successor Calculation Agent in accordance with the provisions below.

The Issuer reserves the right at any time to appoint another institution as the Calculation Agent provided that no termination of appointment of the existing Calculation Agent shall become effective until a replacement Calculation Agent shall have been appointed. Notice of any termination or appointment will be given to the Holders in accordance with General Condition 4.

The Calculation Agent (except where it is the Issuer) acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. Where the Issuer acts in the capacity of the Calculation Agent it does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. In any event, any calculations or determinations in respect of the Securities made by

the Calculation Agent (whether or not the Issuer) shall (save in the case of manifest error) be final, conclusive and binding on the Holders.

The Calculation Agent (except where it is the Issuer) may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate. Where the Calculation Agent is the Issuer it may delegate any of its obligations and functions to a third party as it deems appropriate.

12. SURRENDER OF UNMATURED COUPONS

Each Security should be presented for redemption, where applicable, together with all unmatured Coupons relating to it. Upon the due date for redemption of any Security, where applicable, all unmatured Coupons relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

13. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any Condition. The preceding sentence shall not affect any right or remedy of any person which exists or is available apart from that Act.

14. RULES AND REGULATIONS OF THE OFFICIAL MARKET OF EURONEXT AMSTERDAM N.V.'S STOCK MARKET (*FONDSSENREGLEMENT VAN DE VERENIGING VOOR DE EFFECTENHANDEL*)

The Issuer undertakes to comply, so long as the Securities are listed on the Official Segment of the Stock Market of Euronext Amsterdam N.V., with the provisions (so far as applicable) of Schedule B, Article 2.1.20 (Sections B to G inclusive) of the Listing Rules (*Fondsenreglement*) of Euronext Amsterdam N.V. as in force at the date of issue of the Securities.

CONDITIONS: PRODUCT CONDITIONS
RELATING TO OPEN-ENDED INDEX LINKED CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions (whether or not attached to this document). The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be attached to the Global Security representing the Securities.

1. DEFINITIONS

“**Agent**” means each of ABN AMRO Bank N.V., MF 2020, Kemelstede 2, PB 320, 4800 DE Breda, The Netherlands as principal agent (the “**Principal Agent**”) and BNP Paribas Securities Services, Grueneburgweg 14, 60322 Frankfurt am Main, Germany, each acting through its specified office and together, the “**Agents**” which expression shall include any other Agent appointed pursuant to the provisions of General Condition 11;

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London and a day on which each Clearing Agent is open for business;

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the following formula, less Expenses:

$$\text{Final Reference Price} \times \text{Entitlement}$$

provided that the Cash Amount shall not be less than zero. The above amount shall be converted into the Settlement Currency at the Exchange Rate, if so specified. The aggregate Cash Amount payable to a Holder shall be expressed in the Settlement Currency and shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

“**Clearing Agent**” means Clearstream Banking AG, Euroclear Bank S.A., and Clearstream Banking S.A. and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Holders in accordance with General Condition 4 (each a “**Clearing Agent**” and together the “**Clearing Agents**”);

“**Early Termination Period**” means the period commencing on the Issue Date and ending three calendar years thereafter;

“**Entitlement**” means 0.1, subject to any adjustment in accordance with Product Condition 4;

“**Exchange**” means the exchange or quotation system where the shares that comprise the Index have their primary listing or any successor to such exchange or quotation system;

“**Exercise Date**” means, unless an Issuer Early Termination has occurred, each third Business Day preceding the last Trading Day of March in each year, commencing March 2003;

“**Exchange Rate**” means, with respect to the 100,000 cash-settled open-ended AMEX Defense Index Certificates, the rate of exchange between USD and the Settlement Currency (expressed as a number of units of the Settlement Currency for which USD can be exchanged) as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“**Final Reference Price**” means, subject to adjustment in accordance with Product Condition 4, an amount (which shall be deemed to be a monetary value in the Settlement Currency) equal to the level of the Index at the Valuation Time on the Valuation Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;

“**Index**” means the AMEX Defense Index (Reuters page: .DFII), subject to Product Condition 4;

“**Index Sponsor**” means The American Stock Exchange and references to Index Sponsor shall include any successor index sponsor pursuant to Product Condition 4;

“**Issue Date**” means 23 September 2002;

“**Issuer Early Termination Date**” means the date specified as such with respect to the Issuer Early Termination and if such day is not a Trading Day, shall mean the first succeeding Trading Day. The Issuer Early Termination Date shall be deemed to be the Exercise Date and the Valuation Date;

“**Market Disruption Event**” means each event specified as such in Product Condition 4;

“Payment Day” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation of the Securities; and either (i) if the Settlement Currency is not euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of such currency (if other than the place of presentation of such Security) or (ii) if the Settlement Currency is euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

“Related Exchange” means an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Index are traded;

“Securities” means the 100,000 cash-settled open-ended certificates relating to the Index and each a **“Security”**;

“Settlement Currency” means EUR;

“Settlement Date” means the fifth Payment Day following the relevant Valuation Date;

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

“Valuation Date” means the last Trading Day of March in the relevant year following valid exercise in accordance with Product Condition 3, unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case, the Valuation Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the five Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Valuation Date. In that case (i) the fifth 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 Price having regard to the then prevailing market conditions, the last reported trading price of each security included in the Index and such other factors as the Calculation Agent determines to be relevant; and

“Valuation Time” means the time with reference to which the Index Sponsor calculates the closing level of the Index, or such other time as the Issuer may determine in its absolute discretion and notify to Holders in accordance with General Condition 4.

Terms in capitals which are not defined in these Product Conditions shall have the meanings ascribed to them in the General Conditions.

2. FORM

The Securities are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and / or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

3. EXERCISE RIGHTS, EXERCISE PROCEDURES AND ISSUER EARLY TERMINATION

- (a) Issuer Early Termination. The Issuer may terminate the Securities, in whole but not in part, by delivering a notice on a Business Day falling on or after the last day of the Early Termination Period, such notice giving at least two calendar years notice of the Issuer Early Termination Date. Any such notice shall be given in accordance with the provisions of General Condition 4. Each Security will be terminated at the Cash Amount.
- (b) Exercise. The Securities are only exercisable on or prior to the Exercise Date. Any Security with respect to which no Exercise Notice has been delivered in the manner set out in Product Condition 3(d) at or prior to 10.00 a.m. Central European Time on the Issuer Early Termination Date shall be void.
- (c) Cash Settlement. Each Security upon due exercise and subject to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Cash Amount.
- (d) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment

until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.

- (e) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.
- (f) Exercise Notice. Securities may only be exercised by the delivery of a duly completed exercise notice (an “**Exercise Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Exercise Notice may be obtained during normal business hours from the specified office of each Agent.

An Exercise Notice shall:

- (1) specify the number of Securities being exercised;
- (2) specify the number of the account with the Clearing Agent to be debited with the Securities being exercised;
- (3) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (4) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;
- (5) include an undertaking to pay all Expenses and an authority to the Clearing Agent to deduct an amount in respect thereof from any Cash Amount due to such Holder and/or to debit a specified account with the Clearing Agent in respect thereof and to pay such Expenses;
- (6) certify that neither the person exercising the Security nor any person on whose behalf the Security is being exercised is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means (i) an individual who is a resident or a citizen of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise

primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. persons; or (vii) any other "U.S. person" as such term may be defined in Regulation S under the United States Securities Act of 1933, as amended, or in regulations adopted under the United States Commodity Exchange Act; and

- (7) authorise the production of such notice in any applicable administrative or legal proceedings.
- (g) Verification. In respect of each Exercise Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (h) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each duly exercised Security to the account specified in the relevant Exercise Notice for value on the Settlement Date.
- (i) Determinations. Failure properly to complete and deliver an Exercise Notice may result in such notice being treated as null and void. Any determination as to whether an Exercise Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Exercise Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Exercise Notice submitted at

the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

Any Security with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the time specified in Product Condition 3(b) shall become void.

The Principal Agent shall use its best efforts promptly to notify the relevant Holder if it has determined that an Exercise Notice is incomplete or not in proper form. In the absence of gross negligence or wilful misconduct on its part, neither the Issuer nor the Principal Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

- (j) Delivery of an Exercise Notice. Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Securities specified and no Exercise Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of an Exercise Notice, the Securities which are the subject of such notice may not be transferred.
- (k) Expenses. All Expenses in respect of each Security shall be for the account of the relevant Holder and no payment of any Cash Amount in respect of a Security shall be made until all Expenses in respect thereof have been paid to the satisfaction of the Issuer.
- (l) Exercise and Settlement Risk. Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

4. ADJUSTMENTS

- (a) Market Disruption. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred.

“Market Disruption Event” shall mean: the occurrence or existence on any Trading Day during the one-half hour period that ends at the official close of trading on an Exchange or any Related Exchange of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise), (A) on an Exchange in securities that comprise 20 per cent or more of the level of the relevant Index, if in the determination of the Calculation Agent, such suspension or limitation is material. For the purpose of determining whether such suspension or limitation is material, if trading in a security included in the Index is suspended or materially limited at that time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security relative to (y) the overall level of the Index, in each case immediately before that suspension or limitation; or (B) on any Related Exchange in any options contracts or futures contracts or other derivatives contracts relating to the relevant Index. In any event, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

(b) Adjustments to Index. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 4 of any determination made by it pursuant to paragraphs (1) or (2) below.

(1) If the Index is: (A) not calculated and announced by the Index sponsor but is calculated and published by a successor to the Index Sponsor (the **“Successor Sponsor”**) acceptable to the Calculation Agent; or (B) replaced by a successor index using in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then (in either case) the Index will be deemed to be the index so calculated and announced by such Successor Sponsor or that successor index, as the case may be.

(2) If: (A) on or prior to the Valuation Date the Index Sponsor or, if applicable, the Successor Sponsor, makes 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 the Index in the event of changes in constituent securities and other routine events); or (B) on the Valuation Date the Index Sponsor or, if applicable the Successor Sponsor, fails to calculate and publish the Index, then (in either case) the Calculation Agent shall determine the Final Reference Price using, in lieu of a published level for the Index on the Valuation Date, the level for the Index as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change of failure, but using only those securities that comprised the Index immediately prior to the change or failure (other than those securities that have since ceased to be listed on the Exchange).

(3) In the event that the constituents of the Index are no longer selected by the Index Agent (the “Index Agent Event”) the Calculation Agent may elect (A) to replace the Index Agent by a successor Index Agent acceptable to the Calculation Agent; or (B) to calculate the official closing level of the Index on a Valuation Date in accordance with the formula for and method of calculating the Index last in effect immediately prior to the Index Agent Event, but using only those securities that comprise the Index on such day (not including those securities that have since ceased to be listed on any Relevant Exchange); or (C) to terminate the Securities.

The Calculation Agent shall, as soon as practicable after receipt of any written request to do so, advise a Holder of any determination made by it pursuant to this Product Condition 4 on or before the date of receipt of such request. The Calculation Agent shall make available for inspection by Holders copies of any such determinations.

5. GOVERNING LAW

The Conditions pertaining to the Securities shall be governed by and shall be construed in accordance with English law.

Information Relating to the Underlying

The following summary information has been extracted from public information services and/or the relevant Index Sponsor. The Issuer accepts responsibility for accurately reproducing such extracts but does not accept any further or other responsibility in respect of such information. The Issuer has not participated in the preparation of such information nor has the Issuer made any due diligence inquiry with respect to such information and the Issuer assumes no responsibility for the adequacy or accuracy of such information.

The AMEX Defense Index

Index Description

The AMEX Defense Index (DFI) is designed to represent a cross section of widely held, highly capitalized companies involved in providing systems, equipment and services to the United States government and its allies for the purpose of supporting military, defense and intelligence efforts. The component stocks operate in industry segments that include, but are not limited to, military aircraft manufacturing, shipbuilding, ground transportation, aerospace instrumentation and technology, specialized communication and radar systems, ammunition and weapon systems. The Index was established with a benchmark value of 500.00 on September 28, 2001. Similar to other index values published by the American Stock Exchange LLC (“AMEX”), the value of the Index is published every 15 seconds through the Consolidated Tape Association’s Network B under the ticker symbol “DFI”.

Index Calculation

The Index is calculated using an equal-dollar weighting methodology to ensure that each of the component securities is represented in approximately equal dollar amounts in the Index. Equal-dollar weighting was established by designating the number of shares of each component security to represent approximately USD10,000 in market value, based on closing prices on 21 September 2001. The aggregate value of the stocks was reduced by a divisor to establish an Index benchmark value of 500.00. To ensure that each component stock continues to represent an approximately equal dollar value, adjustments are made after the close of trading on the third Friday of March, June, September, and December.

Index Eligibility & Maintenance

The Index is calculated and maintained by the AMEX. The AMEX may change the composition of the Index at any time to reflect the conditions of the defense industry and to

ensure that the component securities continue to represent the defense industry. The Index is maintained in accordance with Exchange Rule 901c, which, among other things, requires that securities meet the following requirements in order to be eligible for inclusion in the Index:

- All component stocks will either be listed on the Amex, the New York Stock Exchange, or traded through the facilities of the National Association of Securities Dealers Automated Quotation System and reported National Market System securities;
- A minimum market value of at least USD75 million, except that for each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index, the market value can be at least USD50 million;
- Trading volume in each of the last six months of not less than 1,000,000 shares, except that for each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index, the trading volume may be at least 500,000 shares in each of the last six months;
- At least 90% of the index's numerical index value, and at least 80% of the total number of component securities, will meet the current criteria for standardized option trading set forth in Exchange Rule 915;
- Foreign country securities or American Depositary Receipts ("ADRs") thereon that are not subject to comprehensive surveillance agreements do not in the aggregate represent more than 20% of the weight of the index;

Every quarter after the close of trading on the third Friday of March, June, September and December, the Index portfolio is adjusted by changing the number of shares of each component stock so that each one again represents an approximately equal dollar amount in the Index. The newly adjusted portfolio becomes the basis for the Index's value effective on the first trading day following the quarterly adjustments. If necessary, a divisor adjustment is made to ensure continuity of the Index's value.

The number of shares of each component stock in the Index portfolio remain fixed between quarterly reviews, except in the event of certain types of corporate actions such as the payment of a dividend, other than an ordinary cash dividend, stock distribution, stock split, reverse stock split, rights offering, or a distribution, reorganization, recapitalization, or some such similar event with respect to a component stock. When the Index is adjusted between quarterly reviews for such events, the number of shares of the relevant security will be

adjusted, to the nearest whole share, to maintain the component's relative weight in the Index at the level immediately prior to the corporate action. The Index may also be adjusted in the event of a merger, consolidation, dissolution, or liquidation of an issuer of a component stock. In the event of a stock replacement, the average dollar value of the remaining components will be calculated and that amount invested in the new component stock to the nearest whole share. In choosing among pharmaceutical industry stocks that meet the minimum criteria set forth in Exchange Rule 901c, the AMEX represents that it will make every effort to add new stocks that are representative of the pharmaceutical industry and will take into account, among other factors, a stock's capitalization, liquidity, volatility, and name recognition. In connection with any adjustments to the Index, the Index divisor is adjusted to ensure that there are no changes to the Index level as a result of non-market forces.

Index Sponsor

The Amex Gold is calculated and announced by
 AMEX,
 86 Trinity Place,
 New York 10006-1872
 www.amex.com

Historic Closing Prices

	High	Low
2000	308.54	192.28
2001	584.27	297.94
January 2002	582.41	510.34
February 2002	603.93	566.40
March 2002	636.04	600.88
April 2002	664.29	636.24
May 2002	679.37	644.93
June 2002	656.02	624.34
July 2002	624.26	506.89
August 2002	573.03	525.15
1-18 September 2002	590.31	544.51

The closing level of the Index on 18 September 2002 was 570.30.

Source: Bloomberg

License Agreement

The Sponsor has granted to the Issuer the right to use the Defense Index for these Securities. The Securities are in compliance with the terms and conditions upon which the authorisation to use the Defense Index was granted by the Sponsor.

Disclaimer

Any AMEX Defense Index is a service mark of, and is being used with the permission of, the American Stock Exchange (the "AMEX"). The AMEX in no way sponsors, endorses or is otherwise involved in the Securities. The AMEX disclaims any liability to any party for an inaccuracy in the data on which the Index is based, for any mistakes, errors, or omissions in the calculation and/or dissemination of the Index, or for the manner in which it is applied in connection with the Securities.

ZUSATZANGABEN FÜR DAS ANGEBOT IN DER BUNDESREPUBLIK DEUTSCHLAND

WICHTIG: DIESE ZUSATZANGABEN FÜR DAS ANGEBOT IN DER BUNDESREPUBLIK DEUTSCHLAND SOWIE DARIN ENTHALTENE BEZUGNAHMEN AUF WERTPAPIERE BEZIEHEN SICH AUSSCHLIEßLICH AUF DEN NACHTRAG NR. 118 VOM 23. SEPTEMBER 2002 GEMÄß § 10 WERTPAPIER-VERKAUFSPROSPEKTGESETZ ZUM UNVOLLSTÄNDIGEN VERKAUFSPROSPEKT VOM 28. FEBRUAR 2002.

1. BESTEUERUNG

Der folgende Abschnitt beschreibt die nach deutschem Steuerrecht auftretenden steuerlichen Folgen der Veräußerung von Wertpapieren innerhalb der Einjahresfrist auf Grundlage des zum Zeitpunkt der Veröffentlichung des Offering Supplement geltenden Steuerrechts. Diese Zusammenfassung ist allerdings nicht erschöpfend. Insbesondere werden keine Aussagen über die steuerlichen Folgen gemacht, falls einzelne Wertpapiere nach deutschem Recht als sogenannte Finanzinnovationen oder eigenkapitalähnliche Instrumente zu besteuern sind. Inhabern, die in Bezug auf ihre steuerliche Rechtsposition im Zweifel sind, wird empfohlen, ihren Steuerberater zu konsultieren.

Ein in Deutschland ansässiger Privatanleger (Wohnsitz oder ständiger Aufenthaltsort in Deutschland), der das Wertpapier innerhalb eines Jahres nach Erwerb veräußert, unterliegt mit einem Veräußerungsgewinn grundsätzlich der Einkommensteuer, (zuzüglich Solidaritätszuschlag in Höhe von 5,5% der Einkommensteuer).

Der Erfolg aus der Veräußerung wird als Differenz von Verkaufserlös einerseits sowie ursprünglichen Anschaffungskosten und Spesen andererseits ermittelt. Im Kalenderjahr werden sämtliche Gewinne und Verluste aus diesen Geschäften saldiert. Liegen die Gewinne nach Saldierung unter Euro 512, bleiben sie steuerfrei; ab Euro 512 sind sie in voller Höhe steuerpflichtig. Wird nach Saldierung ein Verlust ausgewiesen, kann der Verlust im Vorjahr erzielte Gewinne aus ähnlichen Geschäften mindern. Ist das nicht möglich oder gewünscht, kann der Verlust vorgetragen werden.

Ähnliche Regelungen gelten, wenn der Privatanleger Rechte zum Erwerb/ zur Veräußerung erwirbt oder Verpflichtungen zum Erwerb/ zur Veräußerung innerhalb eines Jahres durch Barausgleich oder Glattstellung aufgibt. Auch nach Ablauf der Einjahresfrist kann im Einzelfall eine Steuerpflicht gegeben sein. Sind die Wertpapiere einem Betriebsvermögen in Deutschland zugeordnet, unterliegt der Gewinn aus der Veräußerung

unabhängig von der Haltedauer grundsätzlich der Einkommensteuer - oder Körperschaftsteuer zuzüglich eines Solidaritätszuschlags i.H.v. 5,5% hierauf sowie der Gewerbesteuer. Der Umfang der Steuerpflicht ist allerdings für jeden Einzelfall gesondert zu bestimmen (z.B. keine Gewerbesteuerpflicht für Angehörige freier Berufe). Ob Verluste abziehbar sind, hängt von den Umständen des Einzelfalls ab. Auch eine nicht in Deutschland ansässige Person ist im allgemeinen nach den oben genannten Grundsätzen steuerpflichtig, z.B. wenn sie in Deutschland eine Betriebsstätte unterhält oder einen ständigen Vertreter bestellt hat.

2. EMISSION UND VERKAUF

Die Wertpapiere sind zum Vertrieb und zum Verkauf in Deutschland geeignet und werden am 23. September 2002 emittiert und ab dem 23. September 2002 freibleibend zum Verkauf angeboten. Die Wertpapiere können direkt von jeder Niederlassung der ABN AMRO Bank (Deutschland) AG in Deutschland bezogen werden. Es ist beabsichtigt, die Einbeziehung der Wertpapiere in den Freiverkehr an der Frankfurter Wertpapierbörse und in das Börsesegment EUWAX an der Börse-Stuttgart zu beantragen.

3. INFORMATIONEN ZU SETTLEMENT UND CLEARING

Die Wertpapiere sind zum Clearing und Settlement wie nachstehend beschrieben zugelassen worden:

Description	Euroclear Bank S.A. (ISIN)	Clearstream Banking AG (WKN)
100,000 Open-ended AMEX Defense Index Certificates	DE0009279943	927994

1. INFORMATIONEN ZUM VERFALLDATUM

Diese Informationen entnehmen Sie bitte Product Condition 3. Nur Personen, welche zur entsprechenden Zeit in dem Register der maßgeblichen Verwaltungsstelle (Clearing Agent) als Wertpapierinhaber eingetragen sind, werden als solche angesehen.

2. BÜRO DER ZAHLSTELLE

In Deutschland wenden Sie sich bitte an BNP Paribas Securities Services, Grüneburgweg 14, 60322 Frankfurt am Main.

3. RECHTLICHER HINWEIS

Nachtrag gemäß § 10 Wertpapier-Verkaufsprospektgesetz zum unvollständigen Verkaufsprospekt:

Dieser Nachtrag wird gemäß § 10 des Wertpapier-Verkaufsprospektgesetzes im Zusammenhang mit dem unvollständigen Verkaufsprospekt vom 28. Februar 2002 veröffentlicht.

Dieser Nachtrag sowie der unvollständige werden während der Laufzeit der Wertpapiere zu den üblichen Geschäftszeiten in der Geschäftsstelle der Zahlstelle zur kostenlosen Ausgabe bereitgehalten. Angaben zur Zahlstelle entnehmen Sie bitte der obigen Rubrik 5. (Büro der Zahlstelle).

ABN AMRO BANK N.V. AND ABN AMRO BANK HOLDING N.V.

Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

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