ABN AMRO HOLDING N V
Form 424B2
October 22, 2008

SUBJECT TO COMPLETION OR AMENDMENT, DATED OCTOBER 20, 2008

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| PRICING SUPPLEMENT<br>(TO PROSPECTUS DATED<br>SEPTEMBER 29, 2006<br>AND PROSPECTUS SUPPLEMENT<br>DATED SEPTEMBER 29, 2006)<br>CUSIP: 00083GV27 | PRICING SUPPLEMENT NO. 789 TO<br>REGISTRATION STATEMENT NOS.<br>333-137691, 333-137691-02<br>DATED OCTOBER, 2008<br>RULE 424(b)(2) |

[ABN AMRO LOGO]
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ABN AMRO BANK N.V.
ABN NOTES(SM)
PRINCIPAL PROTECTED NOTES
FULLY AND UNCONDITIONALLY GUARANTEED BY
ABN AMRO HOLDING N.V.

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# PRINCIPAL PROTECTED ABSOLUTE RETURN BARRIER NOTES LINKED TO THE ISHARES MSCI EMERGING MARKET INDEX FUND DUE APRIL 30, 2010

The payout on the Securities is based on the performance of the iShares MSCI Emerging Market Index Fund, which we refer to as the Underlying Fund, over the term of the Securities. As described below, if the market price of the Underlying Fund remains within the specified barriers at all times during the regular business hours of the primary U.S. exchange or market for the Underlying Fund on each trading day during the period from but excluding the pricing date to but excluding the determination date, then at maturity you will receive the principal amount of $1,000 per Security plus an amount, which we refer to as the supplemental redemption amount, equal to the absolute percentage return (if any) on the value of the Underlying Fund. Otherwise, at maturity you will only receive the principal amount of $1,000. The Securities do not pay interest.

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| SECURITIES | Principal Protected Absolute Return Barrier Notes linked to iShares MSCI Emerging Market Index Fund due April 30, 2010. |
| PRINCIPAL AMOUNT | $ |
| UNDERLYING FUND | The iShares MSCI Emerging Market Index Fund, an exchange traded fund which we refer to as the Underlying Fund. |
| ISSUE PRICE | 100% |
| PROPOSED SETTLEMENT DATE | October 31, 2008 |
| PROPOSED PRICING DATE | October 28, 2008 |
| MATURITY DATE | April 30, 2010 |
| PAYMENT AT MATURITY | The payment at maturity for each $1,000 principal amount of the Securities is based on the performance of the Underlying Fund as follows:<br><br>o If the market price of the Underlying Fund |

has not risen above the Upper Barrier and has not fallen below the Lower Barrier at any time during the regular business hours of the primary U.S. exchange or market for the Underlying Fund on any trading day during the Relevant Period, at maturity you will receive $1,000 plus the Supplemental Redemption Amount (if any); or

- o If the market price of the Underlying Fund either rises above the Upper Barrier or falls below the Lower Barrier at any time during the regular business hours of the primary U.S. exchange or market for the Underlying Fund on any trading day during the Relevant Period, at maturity you will receive $1,000 only.

IF THE FINAL PRICE IS EQUAL TO THE INITIAL PRICE, THE SUPPLEMENTAL REDEMPTION AMOUNT WILL BE ZERO AND YOU WILL NOT RECEIVE ANY RETURN ON YOUR INITIAL PRINCIPAL INVESTMENT EVEN THOUGH THE MARKET PRICE OF THE UNDERLYING FUND TRADED WITHIN THE SPECIFIED BARRIERS AT ALL TIMES DURING THE TERM OF THE SECURITIES.

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| RELEVANT PERIOD | The period from but excluding the Pricing Date to but excluding the Determination Date. |
| INITIAL PRICE | $______, 100% of the closing price per share of the Underlying Fund on the pricing date. The initial price is subject to adjustment for certain corporate events affecting the Underlying Fund, which we describe in "Description of Securities --Discontinuance of the Underlying Fund; Alteration of Method of Calculation" and --"Adjustment Events"). |
| FINAL PRICE | 100% of the closing price per share of the Underlying Fund on the Determination Date. |
| SUPPLEMENTAL REDEMPTION AMOUNT | For each $1,000 principal amount of Securities, an amount in cash equal to the product of the (i) Absolute Return TIMES (ii) Participation Rate TIMES (iii) $1,000. |
| ABSOLUTE RETURN: | Absolute Value*of: $\frac{\text{Final Price - Initial Price}}{\text{Initial Price}}$ <br> *Absolute Value is always expressed as a positive number. |
| PARTICIPATION RATE: | 1.00 (or 100%) |
| UPPER BARRIER: | TBD on the Pricing Date. It will be no less than Initial Price TIMES 128% and no more than Initial Price TIMES 132%. |
| LOWER BARRIER: | TBD on the Pricing Date. It will be no less than |

| | |
|---|---|
| | Initial Price TIMES 72% and no more than Initial Price TIMES 68%. |
| DETERMINATION DATE | April 27, 2010, subject to adjustment in certain circumstances which we describe in "Description of the Securities -- Determination Date." |
| CONTINGENT PAYMENT DEBT INSTRUMENT COMPARABLE YIELD | TBD on the Pricing Date. |
| GUARANTEE | The Securities will be fully and unconditionally guaranteed by ABN AMRO Holding N.V. |
| DENOMINATIONS | The Securities may be purchased in denominations of $1,000 and integral multiples thereof. |
| NO AFFILIATION WITH ISHARES(R) | The iShares MSCI Emerging Market Index Fund, which we refer to as the Underlying Fund is not an affiliate of ours and is not involved with this offering in any way. The obligations represented by the Securities are our obligations, not those of the Underlying Fund. Investing in the Securities is not equivalent to investing in the Underlying Fund. We are not affiliated with the sponsor of the Underlying Fund and the sponsor of the Underlying Fund is not involved with this offering in any way. The obligations represented by the Securities are our obligations, not those of the Underlying Fund or the sponsor of the Underlying Fund. |
| LISTING | We do not intend to list the Securities on any securities exchange. |

THE SECURITIES ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER FEDERAL AGENCY.

THE SECURITIES INVOLVE RISKS NOT ASSOCIATED WITH AN INVESTMENT IN CONVENTIONAL DEBT SECURITIES. SEE "RISK FACTORS" BEGINNING ON PS-9.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these Securities, or determined if this Pricing Supplement or the accompanying Prospectus Supplement or Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The agents are not obligated to purchase the Securities but have agreed to use reasonable efforts to solicit offers to purchase the Securities. TO THE EXTENT THE FULL AGGREGATE PRINCIPAL AMOUNT OF THE SECURITIES BEING OFFERED BY THIS PRICING SUPPLEMENT IS NOT PURCHASED BY INVESTORS IN THE OFFERING, ONE OR MORE OF OUR AFFILIATES HAS AGREED TO PURCHASE THE UNSOLD PORTION, WHICH MAY CONSTITUTE A SUBSTANTIAL PORTION OF THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF THE SECURITIES, AND TO HOLD SUCH SECURITIES FOR INVESTMENT PURPOSES. SEE "HOLDING OF THE SECURITIES BY OUR AFFILIATES AND FUTURE SALES" UNDER THE HEADING "RISK FACTORS" AND "PLAN OF DISTRIBUTION."

This Pricing Supplement and the accompanying Prospectus Supplement and Prospectus may be used by our affiliates in connection with offers and sales of the Securities in market-making transactions.

PRICE $1,000 PER SECURITY

| | PRICE TO PUBLIC | AGENT'S COMMISSIONS(1) | PROCEEDS TO ABN AMRO BANK N.V. |
|---|---|---|---|
| Principal Protected Securities | 100% | 2.50% | 97.50% |
| Total | $ | $ | $ |

(1) For additional information see "Plan of Distribution" in this pricing supplement.

ABN AMRO INCORPORATED

In this Pricing Supplement, the "Bank," "we," "us" and "our" refer to ABN AMRO Bank N.V. and "Holding" refers to ABN AMRO Holding N.V., our parent company. We refer to the Securities offered hereby and the related guarantees as the "Securities" and to each individual security offered hereby as a "Security."

ABN Notes(SM) is a service mark of ABN AMRO Bank N.V.

ANY SECURITIES ISSUED, SOLD OR DISTRIBUTED PURSUANT TO THIS PRICING SUPPLEMENT MAY NOT BE OFFERED OR SOLD (I) TO ANY PERSON/ENTITY LISTED ON SANCTIONS LISTS OF THE EUROPEAN UNION, UNITED STATES OR ANY OTHER APPLICABLE LOCAL COMPETENT AUTHORITY; (II) WITHIN THE TERRITORY OF CUBA, SUDAN, IRAN AND MYANMAR; (III) TO RESIDENTS IN CUBA, SUDAN, IRAN OR MYANMAR; OR (IV) TO CUBAN NATIONALS, WHEREVER LOCATED.



## SUMMARY

THE FOLLOWING SUMMARY ANSWERS SOME QUESTIONS THAT YOU MIGHT HAVE REGARDING THE SECURITIES IN GENERAL TERMS ONLY. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ THE SUMMARY TOGETHER WITH THE MORE DETAILED INFORMATION THAT IS CONTAINED IN THE REST OF THIS PRICING SUPPLEMENT AND IN THE ACCOMPANYING PROSPECTUS AND PROSPECTUS SUPPLEMENT. YOU SHOULD CAREFULLY CONSIDER, AMONG OTHER THINGS, THE MATTERS SET FORTH IN "RISK FACTORS." IN ADDITION, WE URGE YOU TO CONSULT WITH YOUR INVESTMENT, LEGAL, ACCOUNTING, TAX AND OTHER ADVISORS WITH RESPECT TO ANY INVESTMENT IN THE SECURITIES.

### WHAT ARE THE SECURITIES?

The Securities are senior notes issued by us, ABN AMRO Bank N.V., and are fully and unconditionally guaranteed by our parent company, ABN AMRO Holding N.V. The Securities are linked to the performance of the iShares MSCI Emerging Market Index Fund, which we refer to as the Underlying Fund. The Securities have a maturity of 18 months. The payment at maturity of the Securities is determined based on the performance of the Underlying Fund, as described below. UNLIKE ORDINARY DEBT SECURITIES, THE SECURITIES DO NOT PAY INTEREST. IF THE MARKET PRICE OF THE UNDERLYING FUND EITHER RISES ABOVE THE UPPER BARRIER OR FALLS BELOW THE LOWER BARRIER AT ANY TIME DURING THE REGULAR BUSINESS HOURS OF THE PRIMARY U.S. EXCHANGE OR MARKET FOR THE UNDERLYING FUND, WHICH WE REFER TO AS THE RELEVANT EXCHANGE, ON ANY TRADING DAY DURING THE PERIOD FROM BUT EXCLUDING THE PRICING DATE TO BUT EXCLUDING THE DETERMINATION DATE, WHICH PERIOD WE REFER TO AS THE RELEVANT PERIOD, YOU WILL BE ENTITLED TO RECEIVE ONLY THE PRINCIPAL

AMOUNT OF $1,000 PER SECURITY AT MATURITY. IN SUCH A CASE, YOU WILL RECEIVE NO RETURN ON YOUR INVESTMENT AND YOU WILL NOT BE COMPENSATED FOR ANY LOSS IN VALUE DUE TO INFLATION AND OTHER FACTORS RELATING TO THE VALUE OF MONEY OVER TIME.

We call the Securities `barrier notes' because the return on the notes depends on whether or not the market price of the Underlying Fund falls outside the specified barrier levels at any time on any trading day during the relevant period, as described below.

If the market price of the Underlying Fund remains equal to or below the Upper Barrier and equal to or above Lower Barrier at all times during the regular business hours of the relevant exchange on each trading day during the relevant period, you will be entitled to receive the supplemental redemption amount, if any, at maturity. The supplemental redemption amount is an amount in cash for each $1,000 principal amount of the Securities equal to the Absolute Return TIMES the participation rate TIMES $1,000. IF THE ABSOLUTE RETURN (CALCULATED AS DESCRIBED BELOW) EQUALS ZERO, THE SUPPLEMENTAL REDEMPTION AMOUNT WILL BE ZERO AND YOU WILL NOT RECEIVE ANY RETURN ON YOUR INITIAL PRINCIPAL INVESTMENT EVEN THOUGH THE MARKET PRICE OF THE UNDERLYING FUND TRADED WITHIN THE SPECIFIED FUND BARRIERS ON EACH TRADING DAY DURING THE RELEVANT PERIOD. The Absolute Return is the percentage change in the price of the Underlying Fund over the life of the Securities.

WHAT WILL I RECEIVE AT MATURITY OF THE SECURITIES AND HOW IS THIS AMOUNT CALCULATED?

The payment at maturity for each $1,000 principal amount of the Securities is based on the performance of the Underlying Fund as follows:

- If the market price of the Underlying Fund never rises above the Upper Barrier or falls below the Lower Barrier at any time during the regular business hours of the relevant exchange on any trading day during the relevant period, at maturity you will receive $1,000 plus the supplemental redemption amount, if any; or

- If the market price of the Underlying Fund either rises above the Upper Barrier or falls below the Lower Barrier at any time during the regular business hours of the relevant exchange on any trading day during the Relevant Period, at maturity you will receive $1,000 only.

The relevant period is the period from and excluding the pricing date to but excluding the determination date for the Securities.

"Market price" as used in this pricing supplement includes intra-day trading prices on the relevant exchange, so even if the price of the Underlying Fund is above or below the barriers only once during the relevant period, you will not receive the supplemental redemption amount. In such a case you will not receive any return on your initial principal investment and you would not be compensated for any loss in value due to inflation and other factors relating to the value of money over time.



WHAT IS THE SUPPLEMENTAL REDEMPTION AMOUNT AND HOW IS IT CALCULATED?

The supplemental redemption amount is a cash amount that will be calculated only if the market price of the Underlying Fund remains equal to or below the Upper Barrier and equal to or above Lower Barrier at all times during the regular business hours of the relevant exchange on each trading day during the relevant period. If the market price of the Underlying Fund is either above the Upper Fund Barrier or below the Lower Fund Barrier at any time during the regular business hours of the relevant exchange on any trading day during the relevant period, no supplemental redemption amount will be paid at maturity.

The supplemental redemption amount is equal to the product of the (i) Absolute Return TIMES (ii) the participation rate TIMES (iii) $1,000. If the closing price of the Underlying Fund on the determination date is equal to the Initial Price then the Absolute Return will be zero and the supplemental redemption amount will be zero even though the market price of the Underlying Fund never rose above the Upper Barrier or fell below the Lower Barrier at any time during the regular business hours of the relevant exchange on any trading day during the relevant period. This means that you will receive no return on your initial investment in the Securities even though the market price of the Underlying Fund remained within the specified barriers during the life of the Securities.

HOW IS THE ABSOLUTE RETURN CALCULATED?

The Absolute Return is the absolute value* of:

$$\frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}}$$

*The absolute value is always expressed as a positive number, even if the above formula results in a negative number.

The Initial Price is 100% of the closing price per share of the Underlying Fund on the pricing date. The initial price is subject to adjustment for certain corporate events affecting the Underlying Fund, which we describe in "Description of Securities --Discontinuance of the Underlying Fund; Alteration of Method of Calculation" and --"Adjustment Events".

The Final Price is 100% of the closing price per share of the Underlying Fund on the determination date. The determination date is subject to adjustment in certain circumstances which we describe in "Description of Securities--Determination Date".

Because the return on the Securities is based on the absolute value of the percentage change in the value of the Underlying Fund, you may receive a return on the Securities even if the value of the Underlying Fund depreciated over the term of the Securities, as calculated in accordance with the formula above. However, if the Final Price is equal to the Initial Price, then the Absolute Return on the Underlying Fund, and thus the supplemental redemption amount payable on the Securities, will be zero. In such event, you will receive no return on the Securities.

WILL I GET MY PRINCIPAL BACK AT MATURITY?

Subject to the credit of ABN AMRO Bank, N.V. as the issuer of the Securities and ABN AMRO Holding N.V. as the guarantor of the Bank's obligations under the Securities, you will receive your principal back at maturity of the Securities. However, if you sell the Securities prior to maturity, you will receive the market price for the Securities, which may or may not include the return of your full principal amount. There may be little or no secondary market for the Securities. Accordingly, you should be willing to hold your securities until maturity.

CAN YOU GIVE ME EXAMPLES OF THE PAYMENT I WILL RECEIVE AT MATURITY DEPENDING ON THE PERFORMANCE OF THE UNDERLYING FUND?

EXAMPLE 1: If, for example, in a hypothetical offering, the initial price is $150.00, the participation rate is 1.00 (or 100%), the upper barrier is equal to the initial price x 123% and the lower barrier is equal to the initial price x 77%, then the upper barrier is $184.50 ($150.00 x 123%) and the lower barrier is $115.50 ($150.00 x 77%). If the final price is $140.00 and the market price of the Underlying Fund never rose above the upper barrier or fell below the lower barrier at any time during the regular business hours of the relevant exchange on any trading day during the relevant period, at maturity you will receive back your principal amount of $1,000 plus the supplemental redemption amount, which is based on the absolute return (if any) on the Underlying Fund. In such a hypothetical case, the supplemental redemption amount would be calculated as follows:

Participation Rate x Absolute Return x $1,000,

Where,



The absolute return is the absolute value of:

$$\frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}}$$

or, in this hypothetical example,

$$\frac{140 - 150}{150} = -.0667$$

Since the absolute value is always expressed as a positive number, even if it is negative, -.0667 becomes .0667 and the Absolute Return equals .0667 (or 6.67%).

The supplemental redemption amount is calculated as:

Participation Rate x Absolute Return x $1,000,

or

1 x .0667 x $1,000 = $66.70

Accordingly, at maturity you would receive the sum of $1,000 plus $66.70 for a total payment of $1,066.70 per Security. In this hypothetical example, you would have received a 6.67% return on your Securities even though the Underlying Fund depreciated by 6.67% over the life of the Securities.

EXAMPLE 2: If, for example, in a hypothetical offering, the initial price is $150.00, the participation rate is 1.00 (or 100%), the upper barrier is equal to the initial price x 123% and the lower barrier is equal to the initial price x 77% then the upper barrier is $184.50 ($150.00 x 123%) and the lower barrier is $115.50 ($150.00 x 77%). If the final price is $170.00 and the market price of the Underlying Fund was $184.51, which is just above the Upper Barrier, at some point in time during the regular business hours of the relevant exchange on any trading day during the relevant period, then at maturity you will be entitled to receive only the principal amount of $1,000 for each $1,000 principal amount of your Securities.

Accordingly, at maturity you would receive the sum of $1,000 per Security and you would not be compensated for any loss in value due to inflation and other factors relating to the value of money over time. In this hypothetical example, you would not have received any return on your Securities even though the Underlying Fund appreciated by 23% over the life of the Securities.

This example illustrates that a holder of the Securities may receive no return on the Securities even if the Underlying Fund experiences significant appreciation in its value over the life of the Securities. This is true even if there is only one instance where the market price was outside (above or below) the upper or lower barrier during the relevant period.

EXAMPLE 3: If, for example, in a hypothetical offering, the initial price is $150.00, the participation rate is 1.00 (or 100%), the upper barrier is equal to the initial price x 123% and the lower barrier is equal to the initial price x 77% then the upper barrier is $184.50 ($150.00 x 123%) and the lower barrier is $115.50 ($150.00 x 77%). If the final price is $170.00 and the market price of the Underlying Fund was $115.49, which is just below the Lower Barrier, at some point in time during the regular business hours of the relevant exchange on any trading day during the relevant period, then at maturity you will be entitled to receive only the principal amount of $1,000 for each $1,000 principal amount of your Securities.

Accordingly, at maturity you would receive the sum of $1,000 per Security and you would not be compensated for any loss in value due to inflation and other factors relating to the value of money over time. In this hypothetical example, you would not have received any return on your Securities even though the Underlying Fund depreciated by 23% over the life of the Securities.

This example illustrates that a holder of the Securities may receive no return on the Securities even if the Underlying Fund experiences significant depreciation in its value over the life of the Securities. This is true even if there is only one instance where the market price was outside (above or below) the upper or lower barrier during the relevant period.

EXAMPLE 4: If, for example, in a hypothetical offering, the initial price is $150.00, the participation rate is 1.00 (or 100%), the upper barrier is equal to the initial price x 123% and the lower barrier is equal to the initial price x 77% then the upper barrier is $184.50 ($150.00 x 123%) and the lower barrier is $115.50 ($150.00 x 77%). If the final price is $150.00 and the market price of the Underlying Fund never rose above the upper barrier or fell below the lower barrier at any time during the regular business hours of the relevant exchange on any trading day during the relevant period, at maturity you will receive back your principal amount of $1,000 plus



the supplemental redemption amount, which is based on the absolute return (if any) on the Underlying Fund. In such a hypothetical case, the supplemental redemption amount would be calculated as follows:

Participation Rate x Absolute Return x $1,000,

Where,

The absolute return is the absolute value of:

Final Price - Initial Price
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Initial Price

or, in this hypothetical example,

$$\frac{150 - 150}{150} = 0$$

Because the absolute return equals zero in this hypothetical example, the supplemental redemption amount will be zero and at maturity you would receive only your principal amount of $1,000 for each Security and you would not be compensated for any loss in value due to inflation and other factors relating to the value of money over time. In this hypothetical example, you would receive no return on your initial principal investment in the Securities even though the Market Price of the Underlying Fund never rose above the Upper Barrier or fell below the Lower Barrier at any time during the regular business hours of the relevant exchange on any trading day during the relevant period.

THESE EXAMPLES ARE FOR ILLUSTRATIVE PURPOSES ONLY AND ARE BASED ON A HYPOTHETICAL OFFERING. IT IS NOT POSSIBLE TO PREDICT THE MARKET PRICE OF THE UNDERLYING FUND AT ANY TIME DURING THE LIFE OF THE SECURITIES OR THE CLOSING PRICE OF THE UNDERLYING FUND ON THE DETERMINATION DATE. FOR EACH OFFERING WE WILL SET THE INITIAL PRICE AND THE UPPER AND LOWER BARRIERS (EACH SUBJECT TO ADJUSTMENT FOR CERTAIN EVENTS AFFECTING THE UNDERLYING FUND) ON THE DATE WE PRICE THE SECURITIES, WHICH WE REFER TO AS THE PRICING DATE.

In this Pricing Supplement, we have provided under the heading "Hypothetical Sensitivity Analysis of Total Return of the Securities at Maturity" the total return of owning the Securities through maturity for various hypothetical closing prices of the Underlying Fund on the determination date in the case where the specified fund barriers have been breached and in the case where the barriers have not been breached.

WILL I RECEIVE INTEREST PAYMENTS ON THE SECURITIES?

No. You will not receive any interest payments on the Securities.

DO I BENEFIT FROM ANY APPRECIATION OR DEPRECIATION IN THE UNDERLYING FUND OVER THE LIFE OF THE SECURITIES?

Yes, but only in the event that (1) the market price of the Underlying Fund remains equal to or below the Upper Barrier and equal to or above the Lower Barrier at all times during the regular business hours of the relevant exchange on each trading day during the relevant period, and (2) the Final Price is different from the Initial Price, resulting in a positive Absolute Return. If both of these conditions are met, you will receive, in cash, the supplemental redemption amount in addition to the principal amount of the Securities payable at maturity. The supplemental redemption amount will represent a return on the Securities based on the percentage change in the price of the Underlying Fund, or the Absolute Return, and the applicable participation rate. That is, your return on the Securities will be equal to the Absolute Return times a percentage equal to the participation rate.

IS THERE A LIMIT ON HOW MUCH I CAN EARN ON THE SECURITIES?

Yes, since the Final Price cannot be greater than the Upper Barrier or less than the Lower Barrier, the Absolute Return cannot be greater than the percentage by which the Upper Barrier and the Lower Barrier are each either above or below the Initial Price.

For example, if in a hypothetical offering, the upper barrier were 123% above the initial price and the lower barrier were 77% below the initial price then your return on the Securities in that hypothetical example could never exceed 23%. This is because the Upper Barrier is 23% above the Initial Price and the Lower Barrier is 23% below the Initial Price. If the Final Price is more than 23% above or below the Initial Price it would be outside the barrier and the Securities would not pay any supplemental redemption amount. Therefore, in this hypothetical example, for each $1,000 principal amount of Securities, the maximum amount payable at maturity would be $1,230, which consists of the principal amount of $1,000 plus the maximum supplemental redemption amount of $230 (or, $1,000 x 100% x 23%). We will set the upper and lower barriers on



the pricing date. You will not receive a return on your Securities, if any, until maturity.

WHAT IS THE MINIMUM REQUIRED PURCHASE?

You can purchase Securities in $1,000 denominations or in integral multiples thereof.

IS THERE A SECONDARY MARKET FOR THE SECURITIES?

We do not intend to list the Securities on any securities exchange. Accordingly, there may be little or no secondary market for the Securities and, as such, information regarding independent market pricing for the Securities may be limited. You should be willing to hold your Securities until the maturity date.

Although it is not required to do so, we have been informed by our affiliate that when this offering is complete, it intends to make purchases and sales of the Securities from time to time in off-exchange transactions. If our affiliate does make such a market in the Securities, it may stop doing so at any time.

In connection with any secondary market activity in the Securities, our affiliate may post indicative prices for the Securities on a designated website or via Bloomberg. However, our affiliate is not required to post such indicative prices and may stop doing so at any time. INVESTORS ARE ADVISED THAT ANY PRICES SHOWN ON ANY WEBSITE OR BLOOMBERG PAGE ARE INDICATIVE PRICES ONLY AND, AS SUCH, THERE CAN BE NO ASSURANCE THAT ANY TRADE COULD BE EXECUTED AT SUCH PRICES. Investors should contact their brokerage firm for further information.

In addition, the issue price of the Securities includes the selling agents' commissions paid with respect to the Securities and the cost of hedging our obligations under the Securities. The cost of hedging includes the profit component that our affiliate has charged in consideration for assuming the risks inherent in managing the hedging of the transactions. The fact that the issue price of the Securities includes these commissions and hedging costs is expected to adversely affect the secondary market prices of the Securities. See "Risk Factors--The Inclusion of Commissions and Cost of Hedging in the Issue Price is Likely to Adversely Affect Secondary Market Prices" and "Use of Proceeds."

TELL ME MORE ABOUT ABN AMRO BANK N.V. AND ABN AMRO HOLDING N.V.

ABN AMRO Bank N.V. is an international banking group offering a wide range of banking products and financial services worldwide through our network of offices and branches. ABN AMRO Holding N.V. is the parent company of ABN AMRO Bank N.V. Holding's main purpose is to own the Bank and its subsidiaries. All of the Securities issued by the Bank hereunder are fully and unconditionally guaranteed by Holding.

On November 2, 2007 a consortium (the "Consortium") of the Royal Bank of Scotland Group plc, Fortis SA/NV and Fortis N.V. (collectively, "Fortis"), and Banco Santander Central Hispano SA, which had made a tender offer for the shares of Holding, announced that approximately 98.8% of the shares of Holding had been tendered to the Consortium as of October 31, 2007. On September 22, 2008 the Consortium acquired the remaining shares of Holding. On October 3, 2008 Holding jointly announced with the Dutch Minister of Finance (the "Minister") that on that date the Minister acquired all shares of Fortis Bank Nederland (Holding) NV from Fortis, which effectively transferred Fortis' share in Holding to the State of the Netherlands.

Holding is no longer listed on Euronext or the New York Stock Exchange but files periodic reports with the SEC. ABN AMRO Bank N.V. is rated AA- by Standard & Poor's and Aa2 by Moody's. "See "Risk Factors--Changes to Our Credit Ratings May Affect the Market Value of Your Securities."

WHAT IS THE UNDERLYING FUND?

The Underlying Fund is an exchange traded fund of iShares(R), Inc. which is a registered investment company that consists of numerous separate investment portfolios. The iShares(R) MSCI Emerging Market Index Fund seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in emerging markets, as measured by the MSCI Emerging Markets Index. The MSCI Emerging Market Index is a free-float adjusted average of the U.S. dollar values of all of the equity securities constituting the MSCI indices for selected emerging market countries.

The MSCI Emerging Market Index was developed by Morgan Stanley Capital International Inc. which we refer to as MSCI as an equity



benchmark for international stock performance. The MSCI Emerging Market Index is designed to measure equity market performance in the global emerging markets.

Shares of the Underlying Fund are traded on the NYSE the symbol "EEM".

You should read "Description of the Underlying Fund" and "Public Information Regarding the Underlying Fund" in the accompanying Pricing Supplement for additional information regarding the Underlying Fund and the MSCI Emerging Market Index and to learn how to obtain public information regarding the Underlying Fund and other important information.

WHO WILL DETERMINE THE INITIAL PRICE, THE CLOSING PRICE OF THE UNDERLYING FUND ON THE DETERMINATION DATE, THE ABSOLUTE RETURN, WHETHER THE PRICE OF THE UNDERLYING FUND HAS REMAINED WITHIN THE BARRIERS, THE SUPPLEMENTAL REDEMPTION AMOUNT, IF ANY?

We have appointed ABN AMRO Incorporated, which we refer to as AAI, to act as calculation agent for Wilmington Trust Company, the trustee for the Securities and Citibank, N.A., the securities administrator. As calculation agent, AAI will determine the closing price of the Underlying Fund on the determination date and whether the market price of the Underlying Fund has remained within the specified barriers, the absolute return, the supplemental redemption amount, if any, and the initial price. The calculation agent may adjust the initial price of the Underlying Fund, the upper and lower barriers, and consequently the supplemental redemption amount, as described in the section called "Description of Securities -- Adjustment Events, and -- Discontinuance of the Underlying Fund; Alteration of Method of Calculation."

WHO INVESTS IN THE SECURITIES?

The Securities are not suitable for all investors. The Securities might be considered by investors who:

- are willing to risk receiving no return on their initial principal investment in return for the opportunity to participate in the percentage change, if any, in the price of the Underlying Fund over the term of the Securities;

- do not require an interest income stream;

- prefer an investment that is principal protected notwithstanding the actual appreciation or depreciation of the Underlying Fund; and

- are willing to hold the Securities until maturity.

You should carefully consider whether the Securities are suited to your particular circumstances before you decide to purchase them. In addition, we urge you to consult with your investment, legal, accounting, tax and other advisors with respect to any investment in the Securities.

WHAT ARE SOME OF THE RISKS IN OWNING THE SECURITIES?

Investing in the Securities involves a number of risks. We have described the most significant risks relating to the Securities under the heading "Risk Factors" in this Pricing Supplement which you should read before making an investment in the Securities.

Some selected risk considerations include:

- CREDIT RISK. Because you are purchasing a security from us, you are assuming our credit risk. In addition, because the Securities are fully and unconditionally guaranteed by Holding, you are assuming the credit risk of Holding in the event that we fail to make any payment or delivery required by the terms of the Securities.

- LIQUIDITY RISK. We do not intend to list the Securities on any securities exchange. Accordingly, there may be little or no secondary market for the Securities and information regarding independent market pricing for the Securities may be limited. The value of the Securities in the secondary market, if any, will be subject to many unpredictable factors, including then prevailing market conditions.

- MARKET RISK. The Securities do not pay any interest. The rate of return, if any, will depend on the performance of the Underlying Fund. If the market price of the Underlying Fund either falls below the Lower Barrier or rises above the Upper Barrier at any time during the regular business hours of the relevant exchange on any trading day during the relevant period, you will be entitled to receive only the principal amount of $1,000 per Security at maturity. In addition, even if the market price of the Underlying Fund remains equal to or above the Lower Barrier and equal to or below the Upper Barrier at all times during the regular business hours of the relevant exchange on each trading day during the relevant period, the supplemental redemption amount payable at maturity will be zero if the Final Price is equal to the Initial Price. In each such case, you will receive no return on your investment and you will not be compensated for any loss in value due to inflation and other factors relating to the value of money over time.

WHAT IF I HAVE MORE QUESTIONS?

You should read "Description of Securities" in this Pricing Supplement for a detailed description of the terms of the Securities. The Securities are senior notes issued as part of our ABN Notes(SM) program and guaranteed by Holding. The Securities offered by the Bank will constitute the Bank's unsecured and unsubordinated obligations and rank pari passu without any preference among them and with all our other present and future unsecured and unsubordinated obligations. The guarantee of Holding will constitute Holding's unsecured and unsubordinated obligations and rank pari passu without any preference among them and with all Holding's other present and future unsecured and unsubordinated obligations. You can find a general description of our ABN Notes(SM) program in the accompanying Prospectus Supplement. We also describe the basic features of this type of note in the sections called "Description of Notes" and "Notes Linked to Commodity Prices, Single Securities, Baskets of Securities or Indices".

You may contact our principal executive offices at Gustav Mahleraan 10, 1082 PP Amsterdam, The Netherlands. Our telephone number is (31-20) 628-9393.



RISK FACTORS

This section describes the most significant risks relating to the Securities. For a discussion of certain general risks associated with your investment in the Securities, please refer to the section entitled "Risk Factors" beginning on page S-3 of the accompanying prospectus supplement. YOU SHOULD CAREFULLY CONSIDER WHETHER THE SECURITIES ARE SUITED TO YOUR PARTICULAR CIRCUMSTANCES BEFORE YOU DECIDE TO PURCHASE THEM. IN ADDITION, WE URGE YOU TO CONSULT WITH YOUR INVESTMENT, LEGAL, ACCOUNTING, TAX AND OTHER ADVISORS WITH RESPECT TO ANY INVESTMENT IN THE SECURITIES.

THE SECURITIES ARE NOT ORDINARY SENIOR NOTES; THE SECURITIES MAY NOT RETURN MORE THAN YOUR INITIAL PRINCIPAL INVESTMENT

The Securities combine features of debt and equity. The terms of the Securities differ from those of ordinary debt securities in that we will not pay interest on the Securities. Instead, the rate of return on the Securities, if any, will depend on the performance of the Underlying Fund. If the market price of the Underlying Fund rises above the Upper Barrier or falls below the Lower Barrier at any time during the regular business hours of the relevant exchange on any trading day during the relevant period, you will be entitled to receive only the principal amount of $1,000 per Security at maturity. In addition, even if the market price of the Underlying Fund remains within the specified fund barriers at all times during the relevant period, the supplemental redemption amount payable at maturity will be zero if there was no percentage change in the price of the Underlying Fund over the life of the Securities, i.e. if the Final Price is equal to the Initial Price. IN EACH SUCH CASE, YOU WILL RECEIVE NO RETURN ON YOUR INITIAL PRINCIPAL INVESTMENT IN THE SECURITIES AND YOU WILL NOT BE COMPENSATED FOR ANY LOSS IN VALUE DUE TO

INFLATION AND OTHER FACTORS RELATING TO THE VALUE OF MONEY OVER TIME. We cannot predict the future performance of the Underlying Fund based on the historical performance of the Underlying Fund or any other factors.

FURTHERMORE, EVEN IF THE UNDERLYING FUND REMAINS WITHIN THE SPECIFIED FUND BARRIERS AND YIELDS AN ABSOLUTE RETURN, THE RETURN YOU RECEIVE ON THE SECURITIES MAY BE LESS THAN THE RETURN YOU WOULD HAVE RECEIVED HAD YOU INVESTED YOUR ENTIRE PRINCIPAL AMOUNT IN A CONVENTIONAL DEBT SECURITY WITH THE SAME MATURITY ISSUED BY US OR A COMPARABLE ISSUER. THE RETURN YOU RECEIVE ON THE SECURITIES, IF ANY, MAY BE MINIMAL AND MAY NOT COMPENSATE YOU FOR ANY LOSSES INCURRED DUE TO INFLATION OR THE VALUE OF MONEY OVER TIME.

YOUR RETURN ON THE SECURITIES WILL NEVER BE MORE THAN A MAXIMUM AMOUNT EQUAL TO THE PERCENTAGE DIFFERENCE BETWEEN THE INITIAL PRICE AND THE UPPER BARRIER OR LOWER BARRIER

Your return on the Securities, i.e. the supplemental redemption amount, if any, will never exceed an amount equal to the participation rate of 100% multiplied by the Absolute Return. In order for the Securities to pay the supplemental redemption amount, the Absolute Return can never be more than the percentage by which the Upper Barrier and the Lower Barrier are each either above or below the Initial Price. This is because in order for the Securities to pay the supplemental redemption amount, the Final Price cannot be greater than the Upper Barrier or less than the Lower Barrier. Accordingly, the Absolute Return cannot be greater than the percentage by which the Upper Barrier and the Lower Barrier are each either above or below the Initial Price.

For example, in a hypothetical offering, if the upper barrier were 123% above the initial price and the lower barrier were 77% below the initial price then your return on the Securities in that hypothetical example could never exceed 23%. This is because the Upper Barrier is 23% above the Initial Price and the Lower Barrier is 23% below the Initial Price. If the Final Price is more than 23% above or below the Initial Price it would be outside the barrier, the Securities would not pay any supplemental redemption amount and your return on the Securities would be zero. Therefore, in this hypothetical example, for each $1,000 principal amount of Securities, the maximum amount payable at maturity would be $1,230, which consists of the principal amount of $1,000 plus the maximum supplemental redemption amount of $230 (or, $1,000 x 100% x 23%).

Therefore, because the return on the Securities is limited, the return on the Securities, if any, may be less than the return you would have earned if you had invested directly in the Underlying Fund or in a conventional debt security issued by us or an issuer with a comparable credit rating.



PAYMENT OF THE SUPPLEMENTAL REDEMPTION AMOUNT AT MATURITY IS BASED ON THE CLOSING PRICE OF THE UNDERLYING FUND ON THE DETERMINATION DATE

Changes in the Underlying Fund during the term of the Securities before the determination date will not be reflected in the calculation of the supplemental redemption amount, if any, payable at maturity. The supplemental redemption amount will be calculated only if the market price of the Underlying Fund never rose above the Upper Barrier or fell below Lower Barrier at any time during the regular business hours of the relevant exchange on any trading day during the relevant period. In such event, the calculation agent will calculate the supplemental redemption amount payable at maturity by comparing only the Final Price, as determined on the determination date, against the Initial Price of the Underlying Fund. No other Underlying Fund prices will be taken into account in calculating the supplemental redemption amount, if any, payable at maturity. Consequently, if the closing price of the Underlying Fund on the determination date is very close to the Initial Price, only this Final Price will be used to calculate the supplemental redemption amount even if the market price of the Underlying Fund had risen to equal the Upper Barrier or fallen to equal the Lower Barrier on one or more trading days over the life of the Securities (which would have produced the greatest return had the Underlying Fund closed at either such level on the determination date). This method of calculating the supplemental redemption amount could limit your return on the Securities.

WE DO NOT INTEND TO LIST THE SECURITIES ON ANY SECURITIES EXCHANGE; SECONDARY TRADING MAY BE LIMITED

You should be willing to hold your Securities until the maturity date. We do not intend to list the Securities on any securities exchange; accordingly, there may be little or no secondary market for the Securities and information regarding independent market pricing for the Securities may be limited. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the Securities easily. Upon completion of the offering, our affiliate has informed us that it intends to purchase and sell the Securities from time to time in off-exchange transactions, but it is not required to do so. If our affiliate does make such a market in the Securities, it may stop doing so at any time. In addition, to the extent the total principal amount of the Securities being offered is not purchased by investors in the offering, one or more of our affiliates has agreed to purchase the unsold portion for its own investment. Such affiliate or affiliates intend to hold the Securities for investment for at least 30 days, which may affect the supply of Securities available for secondary trading and therefore adversely effect the price of the Securities in any secondary trading.

CHANGES TO OUR CREDIT RATINGS MAY AFFECT THE MARKET VALUE OF YOUR SECURITIES

Our credit ratings are an assessment of our ability to pay our obligations, including those under the Securities. Credit ratings are subject to revision, suspension or withdrawal at any time by the assigning rating organization. Consequently, actual or anticipated changes to our credit ratings may affect the market value of the Securities. However, because the return on the Securities is dependent upon factors in addition to our ability to pay our obligations under the Securities, an improvement in our credit ratings will not necessarily increase the market value of the Securities and will not reduce market risk and other investment risks related to the Securities. See "Risk Factors--Market Price of the Securities Influenced by Many Unpredictable Factors"

THE INCLUSION OF COMMISSIONS AND COST OF HEDGING IN THE ISSUE PRICE IS LIKELY TO ADVERSELY AFFECT SECONDARY MARKET PRICES

Assuming no change in market conditions or any other relevant factors, the price, if any, at which the selling agents are willing to purchase Securities in secondary market transactions will likely be lower than the issue price, since the issue price included, and secondary market prices are likely to exclude, commissions paid with respect to the Securities, as well as the profit component included in the cost of hedging our obligations under the Securities. In addition, any such prices may differ from values determined by pricing models used by the selling agents, as a result of dealer discounts, mark-ups or other transaction costs.

AN INVESTMENT IN THE SECURITIES IS NOT THE SAME AS A DIRECT INVESTMENT IN THE STOCKS THAT COMPRISE THE UNDERLYING FUND OR THE MSCI EMERGING MARKETS INDEX.

An investment in the Securities is not the same as a direct investment in the Underlying Fund or the stocks (or any other securities) that comprise the Underlying Fund or in the MSCI Emerging Markets Index. The return on your Securities could be less than if you had invested directly in the Underlying Fund or another product which tacks the return of the MSCI Emerging Markets Index because of the barrier feature and the method by which the supplemental redemption is calculated. In addition, your return may be limited because the calculation of the supplemental redemption amount and the return on the Securities does not account for the return associated with the reinvestment of dividends that you would have received if you had invested directly in the stocks (or any other securities) comprising the Underlying Fund or the MSCI Emerging Markets Index or in the Underlying Fund. You will not receive any payment of dividends on any of the stocks (or any other securities) comprising the Underlying Fund or any dividends paid by the Underlying Fund.

A CHANGE IN THE PRICE OF THE UNDERLYING FUND MAY NOT INCREASE THE RETURN ON YOUR INVESTMENT

Owning the Securities is not the same as owning the Underlying Fund. Accordingly, the market value of your Securities may not have a direct relationship with the market price of the Underlying Fund, and changes in the market price of the Underlying Fund may not result in a comparable change in the market value of your Securities. If the price per share of the Underlying Fund remains within the upper and lower barriers, the market value of the Securities may not increase. It is also possible for the price of the Underlying Fund to remain within the upper and lower barriers while the market price of the Securities declines.

MARKET PRICE OF THE SECURITIES INFLUENCED BY MANY UNPREDICTABLE FACTORS

The value of the Securities may move up and down between the date you purchase them and the determination date. Several factors, most of which are beyond our control, will influence the value of the Securities, including:

- the market price of the Underlying Fund, in particular, whether the market price of the Underlying Fund has fallen below the lower barrier or risen above the upper barrier at any time during the regular hours of the relevant exchange on any trading day during the relevant period;

- the volatility (frequency and magnitude of changes ) in price of the Underlying Fund;

- the dividend rate on the Underlying Fund and the equity securities held by the Underlying Fund. While dividend payments, if any, on the Underlying Fund and the equity securities held by the Underlying Fund are not paid to holders of the Securities, such payments may have an influence on the market price of the Underlying Fund and therefore on the Securities;

- interest and yield rates in the market;

- the time remaining until the maturity of the Securities;

- economic, financial, political, regulatory, geographical, or judicial events that affect stock markets generally and which may affect the market prices of the Underlying Fund and/or the Securities; and

- the creditworthiness of the Bank as issuer of the Securities and Holding as the guarantor of the Bank's obligations under the Securities. Any person who purchases the Securities is relying upon the creditworthiness of the Bank and Holding and has no rights against any other person, including the sponsor of the Underlying Fund. The Securities constitute the general, unsecured and unsubordinated contractual obligations of the Bank and Holding.

These factors interrelate in complex ways, and the effect of one factor on the market value of your Securities may offset or enhance the effect of another factor.



Some or all of these factors will influence the price that you will receive if you sell your Securities prior to maturity in the secondary market, if any. If you sell your Securities prior to maturity, the price at which you are able to sell your Securities may be at a discount, which could be substantial, from the principal amount. For example, there may be a discount on the Securities if prior to the sale of the Securities, the market price of the Underlying Fund had risen above the Upper Barrier or fallen below the Lower Barrier at any time, or if market interest rates rise. Even if the Underlying Fund traded within the specified barriers, there may be a discount on the Securities based on the time remaining to the maturity of the Securities. THUS, IF YOU SELL YOUR SECURITIES BEFORE MATURITY, YOU MAY RECEIVE LESS THAN THE PRINCIPAL AMOUNT OF $1,000 PER SECURITY.

In addition, some or all of these factors will influence the return, if any, that you receive upon maturity of the Securities. You cannot predict the future performance of the Securities or of the Underlying Fund based on the historical performance of the Underlying Fund. NEITHER WE NOR HOLDING NOR ANY OF OUR AFFILIATES CAN GUARANTEE THAT THE MARKET PRICE OF THE UNDERLYING FUND WILL BE WITHIN THE UPPER AND LOWER BARRIERS AT ALL TIMES OVER THE LIFE OF THE SECURITIES OR THAT THE CLOSING PRICE OF THE UNDERLYING FUND ON THE DETERMINATION DATE WILL BE DIFFERENT FROM THE INITIAL PRICE SO THAT YOU WILL RECEIVE AT MATURITY AN AMOUNT IN EXCESS OF THE PRINCIPAL AMOUNT OF THE SECURITIES.

NO SHAREHOLDER RIGHTS IN THE UNDERLYING FUND

As a holder of the Securities, you will not have voting rights or rights to receive dividends or other distributions or other rights that holders of shares of the Underlying Fund would have.

Because neither we nor Holding nor any of our affiliates are affiliated with the sponsor or trustee of the Underlying Fund, we have no ability to control or predict the actions of such entities, including any actions of the type that would require the calculation agent to adjust the initial price and consequently the upper and lower barriers and payment at maturity, and have no ability to control the public disclosure of these actions or any other events or circumstances affecting such entities. NEITHER THE UNDERLYING FUND NOR THE SPONSOR OF THE UNDERLYING FUND IS INVOLVED IN THE OFFER OF THE SECURITIES IN ANY WAY AND HAVE ANY OBLIGATION TO CONSIDER YOUR INTEREST AS A HOLDER OF THE SECURITIES IN TAKING ANY CORPORATE ACTIONS THAT MIGHT AFFECT THE VALUE OF YOUR SECURITIES. NONE OF THE MONEY YOU PAY FOR THE SECURITIES WILL GO TO THE UNDERLYING FUND OR THE SPONSOR OF THE UNDERLYING FUND.

ADJUSTMENTS TO THE UNDERLYING FUND COULD ADVERSELY AFFECT THE VALUE OF THE SECURITIES

The objective of the Underlying Fund is to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI Emerging Markets Index(R), which we refer to as the Underlying Index. The Underlying Fund uses a representative sampling strategy (as described under "The iShares(R) MSCI Emerging Markets Index Fund -- Representative Sampling") to attempt to track the performance of the MSCI Emerging Markets Index. The Underlying Fund invests in a representative sample of equity securities included in the MSCI Emerging Markets Index; however, the Underlying Fund may not hold all or substantially all of the equity securities included in the MSCI Emerging Markets Index.

In order to maintain the representativeness of the Underlying Index, structural changes to the Underlying Index as a whole may be made by adding or deleting component country indices and the related component securities. Currently, such changes in the Underlying Index may only be made on four dates throughout the year: after the last scheduled index close of each February, May, August and November.

MSCI may add additional component country indices to the Underlying Index or subtract one or more of its current component country indices prior to the expiration of the Securities. Any such adjustments are made to the Underlying Index so that the value of the Underlying Index at the effective date of such change is the same as it was immediately prior to such change.

Any of these actions could adversely affect the prices of the Index Securities and/or the Underlying Fund and, consequently, the value of the Securities.



THE UNDERLYING FUND IS NOT ACTIVELY MANAGED

The Underlying Fund is not actively managed by traditional methods, and therefore the adverse financial condition of one or more issuers of stocks which comprise the Underlying Index will not result in the elimination of such stock or stocks from the Underlying Fund unless such stock or stocks are removed from the Underlying Index. Because payment at maturity of the Securities is linked to the performance of the Underlying Fund, this may adversely affect the value of the Securities and the return, if any, on the Securities.

THE UNDERLYING FUND IS NOT DIVERSIFIED

The Underlying Fund is not diversified and can invest a greater portion of assets in securities of individual issuers than a diversified fund. As a result, changes in the market value of a single investment could cause greater fluctuations in the share price of the Underlying Fund than would occur in a more diversified fund. This could adversely affect the prices of the Underlying Fund and, consequently, the value of the Securities and the amount, if any, you receive at maturity.

To the extent that the Underlying Index is concentrated in securities of companies in a particular market, industry, group of industries, sector or asset class, the Underlying Fund may be adversely affected by the performance of those securities, may be subject to increased price volatility and may be more susceptible to adverse economic, market, political or regulatory consequences affecting that market, industry, group of industries, sector or asset class.

DISCONTINUANCE OF THE UNDERLYING FUND

The Fund Sponsor is not under any obligation to continue to maintain the Underlying Fund. If the Fund Sponsor terminates, liquidates, delists or otherwise discontinues the Underlying Fund, it may become difficult to determine the market value of the Securities or the amount payable at maturity. The calculation agent may designate a successor fund selected in its sole discretion. If the calculation agent determines in its sole discretion that no successor fund comparable to the Underlying Fund exists, the amount you receive at maturity will be determined by the calculation agent in its sole discretion. See "Description of Securities--Market Disruption Event" and "Description of Securities-Discontinuance of the Underlying Fund; Alteration of Method of Calculation."

TAX TREATMENT

You should also consider the tax consequences of investing in the Securities. The Securities are best suited for accounts (including non-U.S. accounts) not subject to U.S. federal income taxes. IF YOU ARE A U.S. INVESTOR SUBJECT TO U.S. TAXATION, REGARDLESS OF THE FINAL RETURN ON THE SECURITIES, YOU WILL BE SUBJECT TO ANNUAL INCOME TAX BASED ON THE COMPARABLE YIELD OF THE SECURITIES OF [ ]% COMPOUNDED SEMI-ANNUALLY, AS DETERMINED BY US, EVEN THOUGH YOU RECEIVE NO PAYMENT ON THE SECURITIES UNTIL MATURITY. In addition, any gain recognized by U.S. taxable investors on the sale, exchange or retirement of the Securities will generally be treated as ordinary income. Please read carefully the section below entitled "Taxation--United States Federal Income Taxation." You should consult your tax advisor regarding the tax treatment of the Securities in light of your particular situation.

THE INCLUSION OF COMMISSIONS AND COST OF HEDGING IN THE ISSUE PRICE IS LIKELY TO ADVERSELY AFFECT SECONDARY MARKET PRICES

Assuming no change in market conditions or any other relevant factors, the price, if any, at which the selling agents are willing to purchase Securities in secondary market transactions will likely be lower than the issue price, since the issue price included, and secondary market prices are likely to exclude, commissions paid with respect to the Securities, as well as the profit component included in the cost of hedging our obligations under the Securities. In addition, any such prices may differ from values determined by pricing models used by the selling agents, as a result of dealer discounts, mark-ups or other transaction costs.



POTENTIAL CONFLICTS OF INTEREST; NO SECURITY INTEREST IN THE UNDERLYING FUND HELD BY US

We and our affiliates may carry out hedging activities that minimize our risks related to the Securities, including trading in the Underlying Fund, options and contracts on the Underlying Fund listed on major securities markets and the equity securities held by the Underlying Fund. In particular, on or prior to the date of this Pricing Supplement, we, through our affiliates, hedged our anticipated exposure in connection with the Securities by taking positions in the Underlying Fund, the equity securities held by the Underlying Fund, options contracts on Underlying Fund listed on major securities markets, options contracts on the equity securities held by the Underlying Fund listed on major securities markets, and/or other instruments that we deemed appropriate in connection with such hedging. Such hedging is carried out in a manner designed to minimize any impact on the price of the Underlying Fund and the equity securities held by the Underlying Fund. Our purchase activity, however, could potentially have increased the price of the equity securities held by the Underlying Fund or the initial price of the Underlying Fund, and therefore inadvertently increased the level below which we would be required to deliver to you at maturity shares of the Underlying Fund, which, in turn, would have a value less than the principal amount of your Securities.

Through our affiliates, we are likely to modify our hedge position throughout the life of the Securities by purchasing and selling Underlying Fund shares, shares of the equity securities held by the Underlying Fund, options contracts on Underlying Fund listed on major securities markets, options contracts on the equity securities held by the Underlying Fund listed on major securities markets, or positions in other securities or instruments that we may wish to use in connection with such hedging. Although we have no reason to believe that our hedging activity or other trading activities that we, or any of our affiliates, engage in or may engage in has had or will have a material impact on the price of the Underlying Fund or shares of the equity securities held by the Underlying Fund, we cannot give you any assurance that we have not or will not affect such prices as a result of our hedging or trading activities. It is possible that we or one of more of our affiliates could receive substantial returns from these hedging activities while the value of the Securities may decline. We or one or more of our affiliates may also engage in trading the Underlying Fund or shares of the equity securities held by the Underlying Fund and other investments relating to Underlying Fund or shares of the equity securities held by the Underlying Fund on a regular basis as part of our or its general broker-dealer and other businesses, for proprietary accounts, for other accounts under management or to facilitate transactions for customers, including block transactions. Any of these activities could adversely affect the price of the Underlying Fund or shares of the equity securities held by the Underlying Fund and, therefore, the value of the Securities. We or one or more of our affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the price of the Underlying Fund or shares of the equity securities held by the Underlying Fund. By introducing competing products into the marketplace in this manner, we or one or more of our affiliates could adversely affect the value of the Securities. It is also possible that any advisory services that we or our affiliates provide in the course of any business with the sponsor of the Underlying Fund or any of the issuers of shares of the equity securities held by the Underlying Fund or their affiliates could lead to actions on the part of the sponsor of the Underlying Fund or an issuer of shares of the equity securities held by the Underlying Fund which might adversely affect the price of the Underlying Fund.

The indenture governing the Securities does not contain any restrictions on our ability or the ability of any of our affiliates to sell, pledge or otherwise convey all or any portion of the shares of the Underlying Fund or shares of the equity securities held by the Underlying Fund acquired by us or our affiliates. Neither we nor Holding nor any of our affiliates will pledge or otherwise hold shares of the Underlying Fund or shares of the equity securities held by the Underlying Fund for the benefit of holders of the Securities in order to enable the holders to exchange their Securities for shares of the Underlying Fund under any circumstances. Consequently, in the event of a bankruptcy, insolvency or liquidation involving us or Holding, as the case may be, any shares of the Underlying Fund that we or Holding own will be subject to the claims of our creditors or Holding's creditors generally and will not be available specifically for the benefit of the holders of the Securities.

INFORMATION REGARDING THE UNDERLYING FUND

Neither we nor Holding nor any of our affiliates assume any responsibility for the accuracy or adequacy of the information about the Underlying Fund contained in this Pricing Supplement or in any of the Underlying Fund's publicly available filings. AS AN INVESTOR IN THE SECURITIES, YOU SHOULD MAKE YOUR OWN INVESTIGATION INTO THE UNDERLYING FUND. NEITHER WE NOR HOLDING NOR ANY OF OUR AFFILIATES HAVE ANY AFFILIATION WITH THE UNDERLYING



FUND, AND ARE NOT RESPONSIBLE FOR THE UNDERLYING FUND'S PUBLIC DISCLOSURE OF INFORMATION, WHETHER CONTAINED IN SEC FILINGS OR OTHERWISE.

AN INVESTMENT IN THE SECURITIES IS SUBJECT TO RISKS ASSOCIATED WITH EMERGING MARKETS

The foreign markets in which the Underlying Fund invests are considered to be emerging markets. Investment in these emerging markets subjects the Underlying Fund to a greater risk of loss than investments in a developed market. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, greater risk of market shut down and more governmental limitations on foreign investment policy than those typically found in a developed market.

CHANGES IN AND THE VOLATILITY OF EXCHANGE RATES, AND THE CORRELATION BETWEEN EXCHANGE RATES AND THE NET ASSET VALUE OF THE UNDERLYING FUND ARE LIKELY TO AFFECT THE MARKET VALUE OF THE SECURITIES

The exchange rate between the U.S. dollar and each of the currencies in which the equity securities held by the Underlying Fund are denominated refers to a foreign exchange spot rate that measures the relative value of each of two currencies -- the currency in which an equity security held by the Underlying Fund is denominated and the U.S. dollar. This exchange rate reflects the amount of the currency in which an equity security held by the Underlying Fund is denominated that can be purchased for one U.S. dollar. This exchange rate increases when the U.S. dollar appreciates relative to the currency in which an equity security held by the Underlying Fund is denominated. The volatility of the exchange rate between the U.S. dollar and each of the currencies in which the equity securities held by the Underlying Fund are denominated refer to the magnitude and frequency of changes in such exchange rate.

Because the net asset value of the Underlying Fund is calculated, in part, by converting the closing prices of the equity securities held by the Underlying Fund into U.S. dollars, the volatility of the exchange rate between the U.S. dollar and each of the currencies in which the equity securities held by the Underlying Fund are denominated could affect the market value of the Securities.

The correlation of the exchange rate between the U.S. dollar and each of the currencies in which the equity securities held by the Underlying Fund are denominated and the net asset value of the Underlying Fund refers to the relationship between the percentage changes in that exchange rate and the percentage changes in the net asset value of the Underlying Fund. The direction of the correlation (whether positive or negative) and the extent of the correlation between the percentage changes in the exchange rate between the U.S. dollar and each of the currencies in which the equity securities held by the Underlying Fund are denominated and the percentage changes in the net asset value of the Underlying Fund could affect the value of the Securities.

LIMITED ANTIDILUTION PROTECTION

AAI, as calculation agent, may adjust the initial price and the upper and lower barriers and consequently the payment at maturity for certain events affecting the Underlying Fund. The calculation agent is not required to make an adjustment for every corporate action which affects the Underlying Fund. IF AN EVENT OCCURS THAT DOES NOT REQUIRE THE CALCULATION AGENT TO ADJUST THE AMOUNT PAYABLE AT MATURITY, THE MARKET PRICE OF THE SECURITIES MAY BE MATERIALLY AND ADVERSELY AFFECTED.

THERE ARE RISKS ASSOCIATED WITH THE UNDERLYING FUND

The Underlying Fund has a limited operating history, having commenced trading in April 2003 on the AMEX and having switched to the NYSE in February 2007. Although its shares are listed for trading on the NYSE and a number of similar products have been traded on the NYSE for varying periods of time, there is no assurance that an active trading market will continue for the shares of the Underlying Fund or that there will be liquidity in the trading market.

In addition, Barclays Global Fund Advisors, which we refer to as BGFA, is the Underlying Fund's investment adviser. The Underlying Fund is subject to management risk, which is the risk that BGFA's investment strategy, the implementation of which is subject to a number of constraints (as outlined under "The iShares(R) MSCI Emerging Markets Index Fund -- Investment Objective and Strategy"), may not produce the intended results. For example,



BGFA may select up to 10% of the Underlying Fund's assets to be invested in shares of other iShares(R) funds that seek to track the performance of equity securities of constituent countries of the MSCI Emerging Markets Index.

THE PERFORMANCE OF THE UNDERLYING FUND MAY NOT CORRELATE WITH THE PERFORMANCE OF THE MSCI EMERGING MARKETS INDEX.

The Underlying Fund uses a representative sampling strategy (as described under "The iShares(R) MSCI Emerging Markets Index Fund -- Representative Sampling") to attempt to track the performance of the MSCI Emerging Markets Index. The Underlying Fund invests in a representative sample of equity securities included in the MSCI Emerging Markets Index; however, the Underlying Fund may not hold all or substantially all of the equity securities included in the MSCI Emerging Markets Index. Therefore, while the performance of the Underlying Fund is linked principally to the performance of the MSCI Emerging Markets Index, the performance of the Underlying Fund is also generally linked in part to shares of other exchange traded funds because BGFA may invest up to 10% of the Underlying Fund's assets in other iShares funds that seek to track the performance of equity securities of constituent countries of the MSCI Emerging Markets Index. In addition, the performance of the Underlying Fund will reflect additional transaction costs and fees that are not included in the calculation of the MSCI Emerging Markets Index. Also, corporate actions with respect to the sample of equity securities (such as mergers and spin-offs) may impact the variance between the Underlying Fund and the MSCI Emerging Markets Index. Finally, because the shares of the Underlying Fund are traded on the NYSE and are subject to market supply and investor demand, the market price of one share of the Underlying Fund may differ from the net asset value per share of the Underlying Fund.

For all of the foregoing reasons, the performance of the Underlying Fund may not correlate with the performance of the MSCI Emerging Markets Index. Consequently, the return on the notes will not be the same as investing directly in the Underlying Fund or in the MSCI Emerging Markets Index or in the equity securities included in the MSCI Emerging Markets Index, and will not be the same as investing in a debt security with a payment at maturity linked to the performance of the MSCI Emerging Markets Index.

THE POLICIES OF MORGAN STANLEY CAPITAL INTERNATIONAL AND OF BARCLAYS GLOBAL FUND ADVISORS, THE INVESTMENT ADVISER FOR THE UNDERLYING FUND, COULD AFFECT THE VALUE AND THE AMOUNT PAYABLE ON THE SECURITIES.

The policies of BGFA concerning the calculation of the Underlying Fund's net asset value, additions, deletions or substitutions of equity securities held by the Underlying Fund and manner in which changes affecting the Underlying Fund are reflected in the Underlying Fund could affect the market price of the shares of the Underlying Fund and, therefore, affect the amount payable on the notes at maturity, if any, and the value of the notes prior to maturity. The amount payable on the Securities and their value could also be affected if BGFA changes these policies, for example, by changing the manner in which it calculates the Underlying Fund's net asset value, or if BGFA discontinues or suspends calculation or publication of the Underlying Fund's net asset value, in which case it may become difficult to determine the value of the Securities.

In addition, Morgan Stanley Capital International ("MSCI") owns the MSCI Emerging Markets Index and is responsible for the design and maintenance of the MSCI Emerging Markets Index. The policies of MSCI concerning the calculation of the MSCI Emerging Markets Index, including decisions regarding the addition, deletion or substitution of the equity securities included in the MSCI Emerging Markets Index, could affect the level of the MSCI Emerging Markets Index and, consequently, could affect the market prices of shares of the Underlying Fund and, therefore, affect whether the price of the Underlying Fund breaches the upper or lower barriers or the amount payable on the Securities at maturity, if any, and the value of the Securities prior to maturity.

HOLDINGS OF THE SECURITIES BY OUR AFFILIATES AND FUTURE SALES

Certain of our affiliates have agreed to purchase for investment the portion of the Securities that has not been purchased by investors in this offering, which initially they intend to hold for investment purposes. As a result, upon completion of this offering, our affiliates may own a substantial portion of the aggregate principal amount of the Securities. Circumstances may occur in which our interests or those of our affiliates could be in conflict with your interests.



POTENTIAL CONFLICTS OF INTEREST BETWEEN HOLDERS OF SECURITIES AND THE CALCULATION AGENT

As calculation agent, AAI will calculate the payout to you at maturity of the Securities. AAI and other affiliates may carry out hedging activities related to the Securities, including trading in shares of the Underlying Fund, as well as in other instruments related to the Underlying Fund and the Underlying Index. AAI and some of our other affiliates also trade the Underlying Fund on a regular basis as part of their general broker dealer businesses. Any of these activities could influence AAI's determinations as calculation agent and any such trading activity could potentially affect the price of the Underlying Fund and, accordingly could affect the payout on the Securities. AAI IS AN AFFILIATE OF ABN AMRO BANK N.V.

In addition, if certain events occur as defined under "Description of Securities -- Discontinuance of the Underlying Fund; Alteration of Method of Calculation or -- Adjustment Events" the calculation agent may adjust the initial price and the upper and lower barriers and consequently the amounts payable at maturity to reflect such event. The calculation agent's adjustment to the Securities may be influenced by, among other things, our or our affiliates' hedging transactions with respect to the Securities and our or their ability to hedge our obligations under the Securities following those reorganization events. While we do not currently anticipate the occurrence of such an event, there can be no assurance that such an event will not occur or that the calculation agent's adjustments upon such an event will not adversely affect the value of the Securities.

Moreover, the issue price of the Securities includes the agents' commissions and certain costs of hedging our obligations under the Securities. Our affiliates through which we hedge our obligations under the Securities expect to make a profit. Since hedging our obligations entails risk and may be influenced by market forces beyond our affiliates' control, such hedging may result in a profit that is more or less than initially projected.

AN INVESTMENT IN THE SECURITIES IS SUBJECT TO RISKS ASSOCIATED WITH NON-U.S. SECURITIES MARKETS.

The equity securities held by the Underlying Fund have been issued by non-U.S. companies. Investments in securities linked to the value of such non-U.S. equity securities involve risks associated with the securities markets in those countries, including risks of volatility in those markets, governmental intervention in those markets and cross shareholdings in companies in certain countries. Also, there is generally less publicly available information about companies in some of these jurisdictions than about U.S. companies that are subject to the reporting requirements of the Securities and Exchange Commission, and generally non-U.S. companies are subject to accounting, auditing and financial reporting standards and requirements and securities trading rules different from those applicable to U.S. reporting companies.

The prices of securities in non-U.S. jurisdictions may be affected by political, economic, financial and social factors in such markets, including changes in a country's government, economic and fiscal policies, currency exchange laws and other foreign laws or restrictions. Moreover, the economies in such countries may differ favorably or unfavorably from the economy of the United States in such respects as growth of gross national product, rate of inflation, capital reinvestment, resources and self sufficiency. Such countries may be subjected to different and, in some cases, more adverse economic environments.

The economies of emerging market countries in particular face several concerns, including relatively unstable governments which may present the risks of nationalization of businesses, restrictions on foreign ownership and prohibitions on the repatriation of assets, and less protection of property rights than more developed countries. These economies may also be based on only a few industries, be highly vulnerable to changes in local and global trade conditions, and may suffer from extreme and volatile debt burdens or inflation rates. In addition, local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of holdings difficult or impossible at times.

Some or all of these factors may influence the price of shares of the Underlying Fund. The impact of any of the factors set forth above may enhance or offset some or all of any change resulting from another factor or factors. You cannot predict the future performance of the Underlying Fund based on its historical performance. The price of the Underlying Fund may decrease such that you may not receive any return of your investment. There can be no assurance that the price of shares of the Underlying Fund will not decrease so that at maturity, you do not lose some or all of your investment.

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HYPOTHETICAL SENSITIVITY ANALYSIS OF TOTAL RETURN OF THE SECURITIES AT MATURITY

The following tables set out the total return to maturity of a Security, based on the assumptions outlined below and several variables, which include (a) whether the market price of the Underlying Fund has risen above the Upper Barrier or fallen below the Lower Barrier at any time during the regular business hours of the relevant exchange on any trading day during the relevant period and (b) several hypothetical closing prices for the Underlying Fund on the determination date. The information in the tables is based on hypothetical market prices for the Underlying Fund. We cannot predict the market price or the closing price of the Underlying Fund on the determination date or at any time during the life of the Securities. THE ASSUMPTIONS EXPRESSED BELOW ARE FOR ILLUSTRATIVE PURPOSES ONLY AND THE RETURNS SET FORTH IN THE TABLE MAY OR MAY NOT BE THE ACTUAL RATES APPLICABLE TO A PURCHASER OF THE SECURITIES.

ASSUMPTIONS

| | |
|---|---|
| Hypothetical Initial Price: | $24.60 (indicative value only; the closing price of the Underlying Fund on October 17, 2008 was $24.60) |
| Hypothetical Participation Rate: | 1 (or 100%) |
| Hypothetical Upper Barrier: | $31.49 (Hypothetical Initial Price x 128%) |
| Hypothetical Lower Barrier: | $17.71 (Hypothetical Initial Price x 72%) |
| Term of the Securities: | 18 months |

PAYMENT AT MATURITY IF THE MARKET PRICE OF THE UNDERLYING FUND DOES NOT RISE ABOVE THE UPPER BARRIER NOR FALL BELOW THE LOWER BARRIER AT ANY TIME DURING THE REGULAR BUSINESS HOURS OF THE RELEVANT EXCHANGE ON ANY TRADING DAY DURING THE RELEVANT PERIOD:

| HYPOTHETICAL FINAL PRICE | HYPOTHETICAL ABSOLUTE RETURN(a) | HYPOTHETICAL ACTUAL RETURN(b) | HYPOTHETICAL SUPPLEMENTAL REDEMPTION AMOUNT(c) | HYPOTHETICAL TOTAL RETURN(d) $ | HYPOTHETICAL TOTAL RETURN(d) % |
|---|---|---|---|---|---|
| 31.49 | 28.00% | 28.00% | $280.00 | $1,280.00 | 128.00% |
| 31 | 26.02% | 26.02% | $260.16 | $1,260.16 | 126.02% |
| 30 | 21.95% | 21.95% | $219.51 | $1,219.51 | 121.95% |
| 29 | 17.89% | 17.89% | $178.86 | $1,178.86 | 117.89% |
| 28 | 13.82% | 13.82% | $138.21 | $1,138.21 | 113.82% |
| 27 | 9.76% | 9.76% | $ 97.56 | $1,097.56 | 109.76% |
| 26 | 5.69% | 5.69% | $ 56.91 | $1,056.91 | 105.69% |
| 25 | 1.63% | 1.63% | $ 16.26 | $1,016.26 | 101.63% |
| 24.6 | 0.00% | 0.00% | $ 0.00 | $1,000.00 | 100.00% |
| 24 | 2.44% | 2.44% | $ 24.39 | $1,024.39 | 102.44% |
| 23 | 6.50% | -6.50% | $ 65.04 | $1,065.04 | 106.50% |
| 22 | 10.57% | -10.57% | $105.69 | $1,105.69 | 110.57% |
| 21 | 14.63% | -14.63% | $146.34 | $1,146.34 | 114.63% |
| 20 | 18.70% | -18.70% | $186.99 | $1,186.99 | 118.70% |
| 19 | 22.76% | -22.76% | $227.64 | $1,227.64 | 122.76% |
| 18 | 26.83% | -26.83% | $268.29 | $1,268.29 | 126.83% |
| 17.71 | 28.00% | -28.00% | $280.00 | $1,280.00 | 128.00% |

PAYMENT AT MATURITY IF THE MARKET PRICE OF THE UNDERLYING FUND EITHER RISES ABOVE THE UPPER BARRIER OR FALLS BELOW THE LOWER BARRIER AT ANY TIME DURING THE REGULAR BUSINESS HOURS OF THE RELEVANT EXCHANGE ON ANY TRADING DAY DURING THE RELEVANT PERIOD:

| HYPOTHETICAL FINAL PRICE | HYPOTHETICAL ABSOLUTE RETURN(a) | HYPOTHETICAL ACTUAL RETURN(b) | HYPOTHETICAL SUPPLEMENTAL REDEMPTION AMOUNT(c) | HYPOTHETICAL TOTAL RETURN(d) | |
|---|---|---|---|---|---|
| | | | | $ | % |
| 45 | 82.93% | 82.93% | $0.00 | $1,000.00 | 0. |
| 42 | 70.73% | 70.73% | $0.00 | $1,000.00 | 0. |
| 41 | 66.67% | 66.67% | $0.00 | $1,000.00 | 0. |
| 39 | 58.54% | 58.54% | $0.00 | $1,000.00 | 0. |
| 37 | 50.41% | 50.41% | $0.00 | $1,000.00 | 0. |
| 35 | 42.28% | 42.28% | $0.00 | $1,000.00 | 0. |
| 31.98 | 30.00% | 30.00% | $0.00 | $1,000.00 | 0. |
| 29 | 17.89% | 17.89% | $0.00 | $1,000.00 | 0. |
| 27 | 9.76% | 9.76% | $0.00 | $1,000.00 | 0. |
| 26 | 5.69% | 5.69% | $0.00 | $1,000.00 | 0. |
| 25 | 1.63% | 1.63% | $0.00 | $1,000.00 | 0. |
| 24.6 | 0.00% | 0.00% | $0.00 | $1,000.00 | 0. |
| 23 | 6.50% | 6.50% | $0.00 | $1,000.00 | 0. |
| 21 | 14.63% | -14.63% | $0.00 | $1,000.00 | 0. |
| 20 | 18.70% | -18.70% | $0.00 | $1,000.00 | 0. |
| 19 | 22.76% | -22.76% | $0.00 | $1,000.00 | 0. |
| 18 | 26.83% | -26.83% | $0.00 | $1,000.00 | 0. |
| 17.22 | 30.00% | -30.00% | $0.00 | $1,000.00 | 0. |
| 16 | 34.96% | -34.96% | $0.00 | $1,000.00 | 0. |
| 14 | 43.09% | -43.09% | $0.00 | $1,000.00 | 0. |
| 11 | 55.28% | -55.28% | $0.00 | $1,000.00 | 0. |
| 9 | 63.41% | -63.41% | $0.00 | $1,000.00 | 0. |
| 8 | 67.48% | -67.48% | $0.00 | $1,000.00 | 0. |

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(a) The Absolute Return is calculated as:

Absolute Value* of:

$$\frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}}$$

*Absolute Value is always expressed as a positive number, even if it is negative.

(b) Represents the actual return that would have been earned on a comparable direct investment in the Underlying Fund (without accounting for any return associated with the reinvestment of dividends). This column is provided herein to illustrate that an investment in the Securities is not the same as a comparable direct investment in the Underlying Fund. The return on your Securities could be less than the return you would have received if you had invested directly in the Underlying Fund.

(c) The supplemental redemption amount for each $1,000 principal amount of the Securities is equal to:

Absolute Return x Participation Rate x $1,000

The supplemental redemption amount payable at maturity, if any, will be calculated only if the market price of the Underlying Fund remains at or below the Upper Barrier and at or above Lower Barrier at all times during the regular business hours of the relevant exchange on each trading day during period from but excluding the



pricing date to but excluding the determination date, which period we refer to as the relevant period. If the market price of the Underlying Fund either rises above the Upper Barrier or falls below the Lower Barrier at any time during the regular business hours of the relevant exchange on any trading day during the relevant period, no supplemental redemption amount will be paid at maturity regardless of the closing price of the Underlying Fund on the determination date.

(d) The total return presented is exclusive of any tax consequences of owning the Securities. You should consult your tax adviser regarding whether owning the Securities is appropriate for your tax situation. See the sections titled "Risk Factors" in this Pricing Supplement and "United States Federal Taxation" and "Taxation in the Netherlands" in the accompanying Prospectus Supplement.



## INCORPORATION OF DOCUMENTS BY REFERENCE

Holding is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith, Holding files reports and other information with the Securities and Exchange Commission (the "Commission"). You may read and copy these documents at the SEC Headquarters Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 (tel: 202-551-8090), and at the SEC's regional offices at Northeast Regional Office, 3 World Financial Center, Suite 400, New York, NY 10281 (tel: 212-336-1100) and Midwest Regional Office, 175 W. Jackson Boulevard, Suite 900, Chicago, Illinois 60604. Copies of this material can also be obtained from the Public Reference Room of the Commission at 100 F Street, N.E., Washington, D.C. 20549 at prescribed rates. Please call the Commission at 1-800-SEC-0330 for further information about the Public Reference Room. The Commission also maintains an Internet website that contains reports and other information regarding Holding that are filed through the Commission's Electronic Data Gathering, Analysis and Retrieval (EDGAR) System. This website can be accessed at www.sec.gov. You can find information Holding has filed with the Commission by reference to file number 1-14624.

This Pricing Supplement is part of a registration statement that we and Holding filed with the Commission. This Pricing Supplement omits some information contained in the registration statement in accordance with Commission rules and regulations. You should review the information and exhibits in the registration statement for further information on us and Holding and the securities we and Holding are offering. Statements in this prospectus concerning any document we and Holding filed as an exhibit to the registration statement or that Holding otherwise filed with the Commission are not intended to be comprehensive and are qualified by reference to these filings. You should review the complete document to evaluate these statements.

The Commission allows us to incorporate by reference much of the information that we and Holding file with them, which means that we can disclose important information to you by referring you to those publicly available documents. The information that we and Holding incorporate by reference in this Pricing Supplement is considered to be part of this Pricing Supplement. Because we and Holding are incorporating by reference future filings with the Commission, this Pricing Supplement is continually updated and those future filings may modify or supersede some of the information included or incorporated in this Pricing Supplement. This means that you must look at all of the Commission filings that we and Holding incorporate by reference to determine if any of the statements in this Pricing Supplement or in any document previously incorporated by reference have been modified or superseded. This Pricing Supplement incorporates by reference all Annual Reports on Form 20-F filed by Holding since September 29, 2006, and any future filings that we or Holding make with the Commission (including any Form 6-K's that we or Holding subsequently file with the Commission) under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, that are identified in such filing as being specifically incorporated by reference into Registration Statement Nos. 333-137691 or 333-137691-02, of which this Pricing Supplement is a part, until we and Holding complete our offering of the Securities to be issued hereunder or, if later, the date on which any of our affiliates cease offering and selling these Securities.

You may request, at no cost to you, a copy of these documents (other than exhibits not specifically incorporated by reference) by writing or telephoning us at: ABN AMRO Bank N.V., ABN AMRO Investor Relations Department, Hoogoorddreef 66-68, P.O. Box 283, 1101 BE Amsterdam, The Netherlands (Telephone: (31-20) 628 3842).



## PUBLIC INFORMATION REGARDING THE UNDERLYING FUND

We have derived all information contained in this pricing supplement regarding the iShares(R) MSCI Emerging Markets Index Fund, which we refer to as the "Underlying Fund", including, without limitation, its make-up, method of calculation and changes in its components, from publicly available information. Such information reflects the policies of, and is subject to change by, iShares, Inc. ("iShares(R)"), Barclays Global Investors, N.A. ("BGI"), and Barclays Global Fund Advisors ("BGFA"). The Underlying Fund is an investment portfolio maintained and managed by iShares(R). BGFA is the investment adviser to the Underlying Fund. The Underlying Fund is an exchange-traded fund that trades on the New York Stock Exchange (the "NYSE") under the ticker symbol "EEM." We make no representations or warranty as to the accuracy or completeness of the information derived from these public sources. iShares(R) is a registered investment company that consists of numerous separate investment portfolios, including the Underlying Fund. Information provided to or filed with the SEC by iShares(R) pursuant to the Securities Act of 1933 and the Investment Company Act of 1940 can be located by reference to SEC file numbers 033-97598 and 811-09102, respectively, through the SEC's website at http://www.sec.gov. Additional information regarding iShares(R), BGFA and the Underlying Fund, may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents and the iShares(R) website at www.ishares.com. We make no representation or warranty as to the accuracy or completeness of such information. Information contained in the iShares(R) website is not incorporated by reference in, and should not be considered a part of, this pricing supplement or any term sheet.

INVESTMENT OBJECTIVE AND STRATEGY

The Underlying Fund seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in emerging markets, as measured by the MSCI Emerging Markets Index. The Underlying Fund holds equity securities traded primarily in the global emerging markets. The MSCI Emerging Markets Index was developed by Morgan Stanley Capital International Inc. ("MSCI") as an equity benchmark for international stock performance, and is designed to measure equity market performance in the global emerging markets.

As of September 30, 2008, the Underlying Fund's holdings by country consisted of the following 23 countries:, Brazil, China, Korea (South), Taiwan, South Africa, Russian Federation, India, Mexico, Israel, Chile Czech Republic, Hong Kong, Thailand, Indonesia, Hungary, Turkey, Philippines, Egypt, Argentina, Peru, Malaysia, United States, and Columbia.

As of September 30, 2008, the Underlying Fund's three largest holdings by country were Brazil, China, and Korea (South); its three largest equity securities were Samsung Electronics Co., Taiwan Semiconductor-SP ADR, and OAO Gazprom, Ltd.; its three largest sectors were financials, energy and materials.

The Underlying Fund uses a representative sampling strategy (as described below under "-- Representative Sampling") to try to track the performance of the MSCI Emerging Markets Index. In addition, in order to improve its portfolio liquidity and its ability to track the MSCI Emerging Markets Index, the Underlying Fund may invest up to 10% of its assets in shares of other iShares(R) funds that seek to track the performance of equity securities of constituent countries of the MSCI Emerging Markets Index. BGFA will not charge portfolio management fees on that portion of the Underlying Fund's assets invested in shares of other iShares(R) funds.

REPRESENTATIVE SAMPLING

The Underlying Fund pursues a "representative sampling" strategy in attempting to track the performance of the MSCI Emerging Markets Index, and generally does not hold all of the equity securities included in the MSCI Emerging Markets Index. The Underlying Fund invests in a representative sample of securities in the MSCI Emerging Markets Index, which have a similar investment profile as the MSCI Emerging Markets Index. Securities selected have aggregate investment characteristics (based on market capitalization and industry weightings), fundamental characteristics (such as return variability, earnings valuation and yield) and liquidity measures similar to those of the MSCI Emerging Markets Index.



CORRELATION

The MSCI Emerging Markets Index is a theoretical financial calculation, while the Underlying Fund is an actual investment portfolio. The performance of the Underlying Fund and the MSCI Emerging Markets Index will vary somewhat due to transaction costs, market impact, corporate actions (such as mergers and spin-offs) and timing variances. A figure of 100% would indicate perfect correlation. Any correlation of less than 100% is called "tracking error." The Underlying Fund, using a representative sampling strategy, can be expected to have a greater tracking error than a fund using replication strategy. Replication is a strategy in which a fund invests in substantially all of the securities in its underlying index in approximately the same proportions as in the underlying index.

INDUSTRY CONCENTRATION POLICY

The Underlying Fund will not concentrate its investments (i.e., hold 25% or more of its total assets in the stocks of a particular industry or group of industries), except that, to the extent practicable, the Underlying Fund will concentrate to approximately the same extent that the MSCI Emerging Markets Index concentrates in the stocks of such particular industry or group of industries.

HOLDINGS INFORMATION

As of September 30, 2008, 99.53% of the Underlying Fund's holdings consisted of equity securities, 0.12% consisted of cash and 0.35% was in other assets, including dividends booked but not yet received. The following tables summarize the Underlying Fund's top holdings in individual companies and by sector as of such date.

Top ten holdings in individual securities as of September 30, 2008:

| Company | Percentage of Total Holdings |
|---|---|
| SAMSUNG ELECTR-GDR REGS 144A | 3.27% |
| TAIWAN SEMICONDUCTOR-S P ADR | 3.19% |
| OAO GAZPROM-REG S ADS | 2.97% |
| CHUNGHWA TELECOM CO LTD-ADR | 2.82% |
| PETROLEO BRASILEIRO S.A.-ADR | 2.69% |
| PETROLEO BRASILEIRO S.A.-ADR | 2.47% |
| POSCO-ADR | 2.46% |
| CHINA MOBILE LTD | 2.28% |
| BANCO ITAU HOLDING FINANCEIRA SA - ADR | 1.82% |
| BANCO BRADESCO-SPONSORED ADR | 1.66% |

Top ten holdings by sector as of September 30, 2008:

| Sector | Percentage of Total Holdings |
|---|---|
| Financials | 21.00% |
| Energy | 17.29% |
| Materials | 14.32% |
| Information Technology | 13.90% |
| Telecommunication Services | 13.41% |
| Industrials | 5.72% |
| Utilities | 4.35% |
| Consumer Staples | 3.57% |
| Consumer Discretionary | 3.44% |
| Health Care | 2.10% |

The information above was compiled from the iShares(R) website. We make no representation or warranty as to the accuracy of the information above. Information contained in the iShares(R) website is not incorporated by reference in, and should not be considered a part of, this pricing supplement or any term sheet.

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DISCLAIMER

The Securities are not sponsored, endorsed, sold or promoted by BGI. BGI makes no representations or warranties to the holders of the Securities or any member of the public regarding the advisability of investing in the Notes. BGI has no obligation or liability in connection with the operation, marketing, trading or sale of the Notes.

THE MSCI EMERGING MARKETS INDEX

The MSCI Emerging Markets Index, which we refer to as the Underlying Index, was developed by MORGAN STANLEY CAPITAL INTERNATIONAL Inc., which we refer to as MSCI.

The Underlying Index is a free float-adjusted average of the U.S. dollar values of all of the equity securities (the "component securities") constituting the MSCI indices for the selected emerging market countries (the "component country indices"). Each component country index is a sampling of equity securities across industry groups in such country's equity markets.

The Underlying Index is designed to measure equity market performance in the global emerging markets. As of September 30, 2008, the Underlying Index consisted of the following 23 emerging market country indices: Brazil, China, Korea (South), Taiwan, South Africa, Russian Federation, India, Mexico, Israel, Chile Czech Republic, Hong Kong, Thailand, Indonesia, Hungary, Turkey, Philippines, Egypt, Argentina, Peru, Malaysia, United States, and Columbia. As of the same date, the Underlying Index's three largest stocks were Samsung Electronics Co., Taiwan Semiconductor-SP ADR, and OAO Gazprom, Ltd.; and its three largest industries were financials, energy and materials. Each of the component country indices is a sampling of equity securities across industry groups in such country's equity markets. The MSCI Emerging Markets Index has a base date of December 31, 1987.

We have derived all information contained in this pricing supplement regarding the MSCI Emerging Markets Index, including, without limitation, its make-up, method of calculation and changes in its components, from information provided by MSCI. The MSCI Emerging Markets Index is a stock index calculated, published and disseminated daily by MSCI, a majority-owned subsidiary of Morgan Stanley, through numerous data vendors, on the MSCI website and in real time on Bloomberg Financial Markets and Reuters Limited. Neither MSCI nor Morgan Stanley has any obligation to continue to calculate and publish, and may discontinue calculation and publication of the MSCI Emerging Markets Index at any time. The MSCI Emerging Markets Index was developed by MSCI as an equity benchmark for international stock performance, and is designed to measure equity market performance in the global emerging markets.

MSCI EMERGING MARKETS INDEX CALCULATION

Prices used to calculate the component securities are the official exchange closing prices or prices accepted as such in the relevant market. In general, all prices are taken from the main stock exchange in each market. The U.S. dollar value of the Underlying Index is calculated based on the free float- adjusted market capitalization in U.S. dollars of the Component Securities. The Underlying Index is rebalanced quarterly, calculated in U.S. dollars on a real time basis, and disseminated every 60 seconds during market trading hours. It is also calculated on an end of day basis.

INDEX CALCULATION

MAINTENANCE OF THE UNDERLYING INDEX AND THE COMPONENT COUNTRY INDICES. In order to maintain the representativeness of the Underlying Index, structural changes to the Underlying Index as a whole may be made by adding or deleting component country indices and the related component securities. Currently, such changes in the Underlying Index may only be made on four dates throughout the year: after the last scheduled index close of each February, May, August and November.

MSCI may add additional component country indices to the Underlying Index or subtract one or more of its current component country indices prior to the expiration of the Securities. Any such adjustments are made to the Underlying Index so that the value of the Underlying Index at the effective date of such change is the same as it was immediately prior to such change.



Each component country index is maintained with the objective of reflecting, on a timely basis, the evolution of the underlying equity markets. In maintaining each component country index, emphasis is also placed on its continuity, replicability and on minimizing turnover in the Underlying Index.

MSCI classifies index maintenance in three broad categories. The first consists of ongoing event-related changes, such as mergers and acquisitions, which are generally implemented in the indices in which they occur. The second category consists of quarterly index reviews, aimed at promptly reflecting other significant market events. The third category consists of full component country index reviews that systematically re-assess the various dimensions of the equity universe for all countries simultaneously and are conducted on a fixed annual timetable.

Ongoing event-related changes to the indices are the result of mergers, acquisitions, spin-offs, bankruptcies, reorganizations and other similar corporate events. They can also result from capital reorganizations in the form of rights issues, bonus issues, public placements and other similar corporate actions that take place on a continuing basis. These changes are reflected in the indices at the time of the event. All changes resulting from corporate events are announced prior to their implementation, provided all necessary information on the event is available.

The quarterly index review process is designed to ensure that the indices continue to be an accurate reflection of evolving equity markets. This goal is achieved by rapidly reflecting significant market driven changes that were not captured in the Underlying Index at the time of their actual occurrence and that should not wait until the annual full component country index review due to their importance. These quarterly index reviews may result in additions and deletions of component securities from a component country index and changes in "foreign inclusion factors" and in number of shares. Additions and deletions to component securities may result from: the addition or deletion of securities due to the significant over- or under-representation of one or more industry groups as a result of mergers, acquisitions, restructurings or other major market events affecting the industry group; the addition or deletion of securities resulting from changes in industry classification, significant increases or decreases in free float or relaxation/removal or decreases of foreign ownership limits not implemented immediately; the additions of large companies that did not meet the minimum size criterion for inclusion at the time of their initial public offering or secondary offering; the replacement of companies which are no longer suitable industry representatives; the deletion of securities whose overall free float has fallen to less than 15% and that do not meet specified criteria; the deletion of securities that have become very small or illiquid; the replacement of securities resulting from the review of price source for component securities with both domestic and foreign board quotations; and the addition or deletion of securities as a result of other market events. Significant changes in free float estimates and corresponding changes in the foreign inclusion factor for component securities may result from: large market transactions involving strategic shareholders that are publicly announced; secondary offerings that, given lack of sufficient notice, were not reflected immediately; increases in foreign ownership limits; decreases in foreign ownership limits not applied earlier; corrections resulting from the reclassification of shareholders from strategic to non-strategic, and vice versa; updates to foreign inclusion factors following the public disclosure of new shareholder structures for companies involved in mergers, acquisitions or spin-offs, where different from MSCI's pro forma free float estimate at the time of the event; large conversions of exchangeable bonds and other similar securities into already existing shares; the end of lock-up periods or expiration of loyalty incentives for non-strategic shareholders; and changes in the foreign inclusion factor as a result of other events of similar nature. Changes in the number of shares are generally small and result from, for example, exercise of options or warrants, conversion of convertible bonds or other instruments or share buybacks. The implementation of changes resulting from quarterly index reviews occurs on only three dates throughout the year: as of the close of the last business day of February, August and November. The results of the quarterly index reviews are announced at least two weeks prior to their implementation. Any country may be impacted at the quarterly index review.

The annual full component country index review includes a re-appraisal of the free float-adjusted industry group representation within a country relative to the 85% target, a detailed review of the shareholder information used to estimate free float for component and non-component securities, updating the minimum size guidelines for new and existing component securities, as well as changes typically considered for quarterly index reviews. During a full component country index review, securities may be added or deleted from a component country index for a range of reasons, including the reasons discussed in the preceding sentence and the reasons for component securities changes during quarterly index reviews as discussed above. The results of the annual full component country index reviews are announced at least two weeks in advance of their effective implementation date as of the close of the last business day in May.



Index maintenance also includes monitoring and completing the adjustments for share changes, stock splits, stock dividends, and stock price adjustments due to company restructurings or spinoffs. Index maintenance of the component country indices is reflected in the Underlying Index.

SELECTION OF COMPONENT SECURITIES AND CALCULATING AND ADJUSTING FOR FREE FLOAT. The selection of the component securities for each component country index is based on the following guidelines:

(i) Define the universe of listed securities within each country;

(ii) Adjust the total market capitalization for each security for its respective free float available to foreign investors;

(iii) Classify securities into industry groups under the Global Industry Classification Standard; and

(iv) Select securities for inclusion according to MSCI's index construction rules and guidelines.

To determine the free float of a security, MSCI considers the proportion of shares of such security available for purchase in the public equity markets by international investors. In practice, limitations on the investment opportunities for international investors include: strategic stakes in a company held by private or public shareholders whose investment objective indicates that the shares held are not likely to be available in the market; limits on the proportion of a security's share capital authorized for purchase by non-domestic investors; or other foreign investment restrictions which materially limit the ability of foreign investors to freely invest in a particular equity market, sector or security.

MSCI will then derive a "foreign inclusion factor" for the company that reflects the percentage of the total number of shares of the company that are not subject to strategic shareholdings and/or foreign shareholder ownership or investment limits. MSCI will then "float-adjust" the weight of each constituent company in an index by the company's foreign inclusion factor. Typically, securities with a free float adjustment ratio of .15 or less will not be eligible for inclusion in MSCI's indices.

Once the free float factor has been determined for a security, the security's total market capitalization is then adjusted by such free float factor, resulting in the free float-adjusted market capitalization figure for the security.

These guidelines and the policies implementing the guidelines are the responsibility of, and, ultimately, subject to adjustment by, MSCI.

LICENSE AGREEMENT WITH MSCI

We have entered into an agreement with MSCI providing us and certain of our affiliates or subsidiaries identified in that agreement with a non-exclusive license and, for a fee, with the right to use the Underlying Index, which is owned and published by MSCI, in connection with certain securities, including the Notes.

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NO RELATION TO ISHARES(R)

THIS PRICING SUPPLEMENT RELATES ONLY TO THE SECURITIES OFFERED HEREBY AND DOES NOT RELATE TO THE UNDERLYING FUND OR OTHER SECURITIES OF ISHARES(R). WE HAVE DERIVED ALL DISCLOSURES CONTAINED IN THIS PRICING SUPPLEMENT REGARDING THE UNDERLYING FUND FROM THE PUBLICLY AVAILABLE DOCUMENTS DESCRIBED IN THE PRECEDING PARAGRAPH. NEITHER WE NOR HOLDING NOR THE AGENTS HAVE PARTICIPATED IN THE PREPARATION OF SUCH DOCUMENTS OR MADE ANY DUE DILIGENCE INQUIRY WITH RESPECT TO THE UNDERLYING FUND IN CONNECTION WITH THE OFFERING OF THE SECURITIES. NEITHER WE NOR HOLDING NOR THE AGENTS MAKE ANY REPRESENTATION THAT SUCH PUBLICLY AVAILABLE DOCUMENTS OR ANY OTHER PUBLICLY AVAILABLE INFORMATION REGARDING THE UNDERLYING FUND ARE ACCURATE OR COMPLETE. FURTHERMORE, NEITHER WE NOR HOLDING CAN GIVE ANY ASSURANCE THAT ALL EVENTS OCCURRING PRIOR TO THE DATE HEREOF (INCLUDING EVENTS THAT WOULD AFFECT THE ACCURACY OR COMPLETENESS OF THE PUBLICLY AVAILABLE DOCUMENTS DESCRIBED IN THE PRECEDING PARAGRAPH) THAT WOULD AFFECT THE TRADING PRICE OF THE UNDERLYING FUND (AND THEREFORE THE INITIAL PRICE AND THE KNOCK-IN LEVEL AND REDEMPTION AMOUNT) HAVE BEEN PUBLICLY DISCLOSED. SUBSEQUENT DISCLOSURE OF ANY SUCH EVENTS OR THE DISCLOSURE OF OR FAILURE TO DISCLOSE MATERIAL FUTURE EVENTS CONCERNING THE UNDERLYING FUND COULD AFFECT THE VALUE YOU WILL RECEIVE ON THE MATURITY DATE WITH RESPECT TO THE SECURITIES AND THEREFORE THE TRADING PRICES OF THE SECURITIES. NEITHER WE NOR HOLDING NOR ANY OF OUR AFFILIATES HAVE ANY OBLIGATION TO DISCLOSE ANY INFORMATION ABOUT THE UNDERLYING FUND AFTER THE DATE OF THIS PRICING SUPPLEMENT.

NEITHER WE NOR HOLDING NOR ANY OF OUR AFFILIATES MAKES ANY REPRESENTATION TO YOU AS TO THE PERFORMANCE OF THE UNDERLYING FUND.

We and/or our affiliates may presently or from time to time engage in business with iShares, Inc., including extending loans to, or making equity investments in, or providing advisory services to iShares, Inc., including merger and acquisition advisory services. In the course of such business, we and/or our affiliates may acquire non-public information with respect to iShares, Inc. and, in addition, one or more of our affiliates may publish research reports with respect to the Underlying Fund. The statement in the preceding sentence is not intended to affect the rights of holders of the Securities under the securities laws. AS A PROSPECTIVE PURCHASER OF A SECURITY, YOU SHOULD UNDERTAKE SUCH INDEPENDENT INVESTIGATION OF THE UNDERLYING FUND AS IN YOUR JUDGMENT IS APPROPRIATE TO MAKE AN INFORMED DECISION WITH RESPECT TO AN INVESTMENT IN THE UNDERLYING FUND.



HISTORICAL INFORMATION

The shares of the Underlying Fund are traded on the NYSE under the symbol "EEM". The following table sets forth the published highest intra-day price for the quarter, lowest intra-day price for the quarter and last day closing price for the quarter of the shares of the Underlying Fund since the second quarter of 2003. The inception date of the Underlying Fund was April 7, 2003. We obtained the prices listed below from Bloomberg Financial Markets without independent verification. You should not take the historical prices of the Underlying Fund as an indication of future performance. NEITHER WE NOR HOLDING CAN GIVE ANY ASSURANCE THAT THE MARKET PRICE OF THE SHARES OF THE UNDERLYING FUND WILL CLOSE WITHIN THE UPPER AND LOWER BARRIERS AT ALL TIMES OVER THE LIFE OF THE SECURITIES OR THAT THE CLOSING PRICE OF THE UNDERLYING FUND ON THE DETERMINATION DATE WILL BE DIFFERENT FROM THE INITIAL PRICE, SUCH THAT WE WILL DELIVER MORE THAN THE PRINCIPAL AMOUNT OF EACH SECURITY AT MATURITY.

| PERIOD | HIGH INTRA-DAY PRICE | LOW INTRA-DAY PRICE | LAST DAY CLOSING PRICE |
|---|---|---|---|
| 2003 | | | |
| Second Quarter..................... | $13.71 | $11.08 | $13.32 |
| Third Quarter...................... | $15.92 | $13.33 | $15.10 |
| Fourth Quarter..................... | $18.23 | $15.31 | $18.21 |
| 2004 | | | |
| First Quarter...................... | $19.86 | $18.31 | $19.50 |
| Second Quarter..................... | $20.27 | $15.88 | $17.96 |
| Third Quarter...................... | $19.20 | $16.92 | $19.17 |
| Fourth Quarter..................... | $22.43 | $18.87 | $22.43 |
| 2005 | | | |
| First Quarter...................... | $24.72 | $21.13 | $22.53 |
| Second Quarter..................... | $24.39 | $21.53 | $23.87 |
| Third Quarter...................... | $28.38 | $23.73 | $28.29 |
| Fourth Quarter .................... | $29.87 | $24.95 | $29.42 |
| 2006 | | | |
| First Quarter...................... | $33.80 | $30.00 | $33.00 |
| Second Quarter..................... | $37.08 | $27.12 | $31.30 |
| Third Quarter ..................... | $33.27 | $29.02 | $32.26 |
| Fourth Quarter..................... | $38.25 | $31.70 | $38.06 |
| 2007 | | | |
| First Quarter ..................... | $39.84 | $34.75 | $38.82 |
| Second Quarter..................... | $44.63 | $38.74 | $43.88 |
| Third Quarter...................... | $50.40 | $37.15 | $49.67 |
| Fourth Quarter .................... | $55.81 | $47.20 | $50.10 |
| 2008 | | | |
| First Quarter...................... | $50.67 | $40.72 | $44.77 |
| Second Quarter .................... | $52.48 | $44.45 | $45.23 |
| Third Quarter...................... | $44.75 | $30.93 | $34.26 |
| Fourth Quarter (through October 17, 2008)........ | $34.36 | $22.35 | $24.60 |

Neither we nor Holding make any representation as to the amount of dividends, if any, that the Underlying Fund will pay in the future. In any event, as a holder of a Security, you will not be entitled to receive dividends, if any, that may be payable on the Underlying Fund.



DESCRIPTION OF SECURITIES

Capitalized terms not defined herein have the meanings given to such terms in the accompanying Prospectus Supplement. The term "Security" refers to