SURF 2006-1

The first fully rated CPDO (constant proportion debt obligation)

ABN·AMRO

FOR INSTITUTIONAL INVESTORS ONLY

September 2006

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Transaction Overview

Transaction Overview

- **Issuer**: SURF 2006-1
- **Swap Counterparty**: ABN AMRO NV (Aa3/AA-)
- **Transaction Type**: CPDO
- **Rating**: AAA
- **Stated Coupon**: L+[200]
- **Issue Price**: 100%
- **Legal Maturity**: [10] yrs
- **Expected Maturity**: [6.8] yrs
- **Credit Portfolio**:
  - On-the-run highly liquid credit indices.
  - Exposure determined by transparent and pre-determined rules.
  - [50]% DJ CDX.IG, [50]% iTraxx Europe
  - 100% Investment Grade (WARF = 450)
- **Fees**:
  - [1]% arrangement fee
  - [20]bpa administration fee
  - [3.5]bpa Leverage Facility fee
- **Liquidity**: Daily, provided by ABN AMRO

General Structure

- SURF 2006-1 is the **first CPDO** (constant proportion debt obligation), **combining features of both CPPI and CDO transactions**.
- This new form of synthetic credit investment carries a **full ultimate principal and timely interest 'AAA' rating from Standard & Poor's**. Consequently, it may qualify for the **NAIC 1 designation** and as a **'AAA' security under the Basel II accords*** for most investors.
- SURF 2006-1 is structured to **pay high coupons** by taking leveraged exposure to a basket of **on-the-run, highly liquid, investment grade credit indices**. The leverage employed is **adjusted via a pre-determined, transparent mechanism** in order to control risk with maximum return.
- The credit portfolio is **"self-cleaning",** because the exposure tracks the on-the-run credit indices—every six months, **any credits that have been downgraded to non-investment grade are replaced with investment grade credits**.
- The transaction is **not directly sensitive to correlation**, unlike synthetic CDO tranches, because the exposure is to a portfolio of un-tranched credit indices.
- ABN AMRO provides **daily bid/ask pricing via Bloomberg**.

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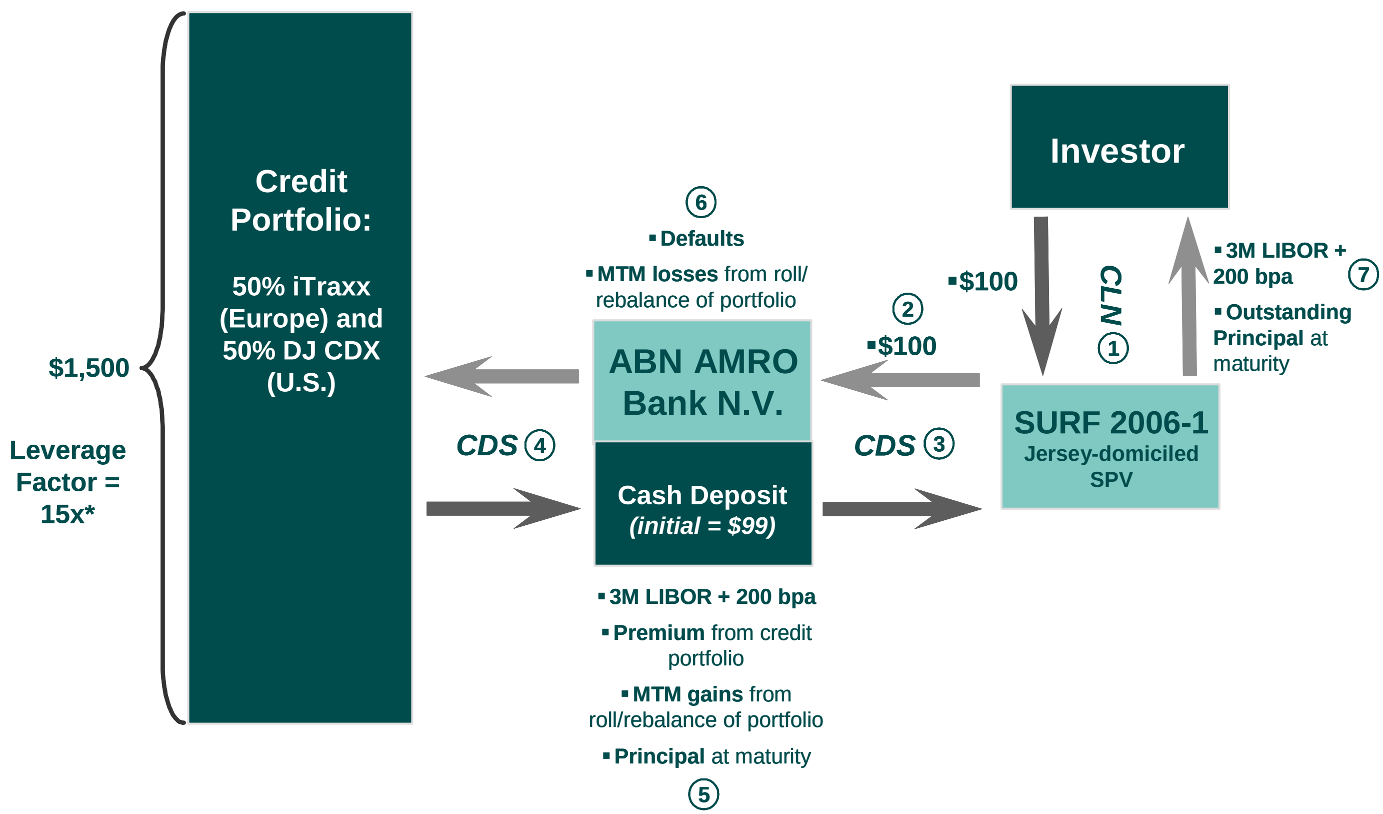
** ABN AMRO does not opine as to the treatment of the investment under the regulatory regimes of each investor. Investors should consult their own regulatory experts in determining the proper regulatory treatment.*

Transaction Overview

Payment Process

1. Investor purchases **CLN for $100**.
2. $99 is deposited in a **3M LIBOR-yielding Cash Deposit** account at ABN AMRO.
3. SURF 2006-1 SPV enters into a **credit default swap (CDS)** with ABN AMRO, referencing $1,500 of the Credit Portfolio.
4. ABN AMRO enters a **CDS** with market makers in the Credit Portfolio.
5. All **premiums** from the $1,500 CDS and **MTM gains** from roll rebalance of portfolio are **used to pay expenses** and the **note coupon**. Any **excess** is paid into the **Cash Deposit**. **3M LIBOR** on par amount paid to Investor from **Cash Deposit**
6. Any **defaults** and **MTM losses** from the roll rebalance of the Credit Portfolio are **paid out of the Cash Deposit**.
7. At maturity, **principal is returned to Investor** provided Cash Deposit >= $100.

Deal Diagram



Priority of Payments Waterfall

1. *All fees and expenses to ABN AMRO*
2. *Current coupon, 3M LIBOR + [200] bpa*
3. *All residuals flow into the Cash Deposit account.*

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** Leverage Factor changes dynamically, depending on portfolio performance (see following page).*

Transaction Overview

Key Features

- **Dynamic Leverage.** The **size of the Credit Portfolio is dynamically adjusted** in order to actively target payment of the stated coupon (L+[200]bpa) and repayment of the principal at maturity. It is calculated in reference to the Target Portfolio Size and limited by the Maximum Portfolio Size:

  1. **Target Portfolio Size**. The Target Portfolio Size calculation **is designed such that the coupon and principal can achieve a high and stable rating**.
     - *On every Roll Date, the Portfolio Size is adjusted to equal the Target Portfolio Size.*
     - *If the Portfolio Size differs from the Target Portfolio Size by more than 25% at any other time, then the Portfolio Size is adjusted to equal the Target Portfolio Size.*
     - *If the Portfolio Size exceeds the Maximum Portfolio Size, then the Portfolio Size is adjusted to equal the Target Portfolio Size.*
     - *The Target Portfolio Size is calculated by comparing the income expected from the current portfolio with the payments expected to be made (including those for the note coupon, expenses, etc.).*
     - *In essence, the **CPDO only uses the leverage it needs to make the ultimate payment of principal and scheduled interest payments**.*

  2. **Maximum Portfolio Size**. The Maximum Portfolio Size limits the amount of total leverage that the transaction can have.
     - *The Maximum Portfolio Size is calculated so that the assumed 1-day loss on the Credit Portfolio cannot be more than the Note NAV.*
     - ***The Maximum Portfolio size is subject to an absolute limit of 15x**.*

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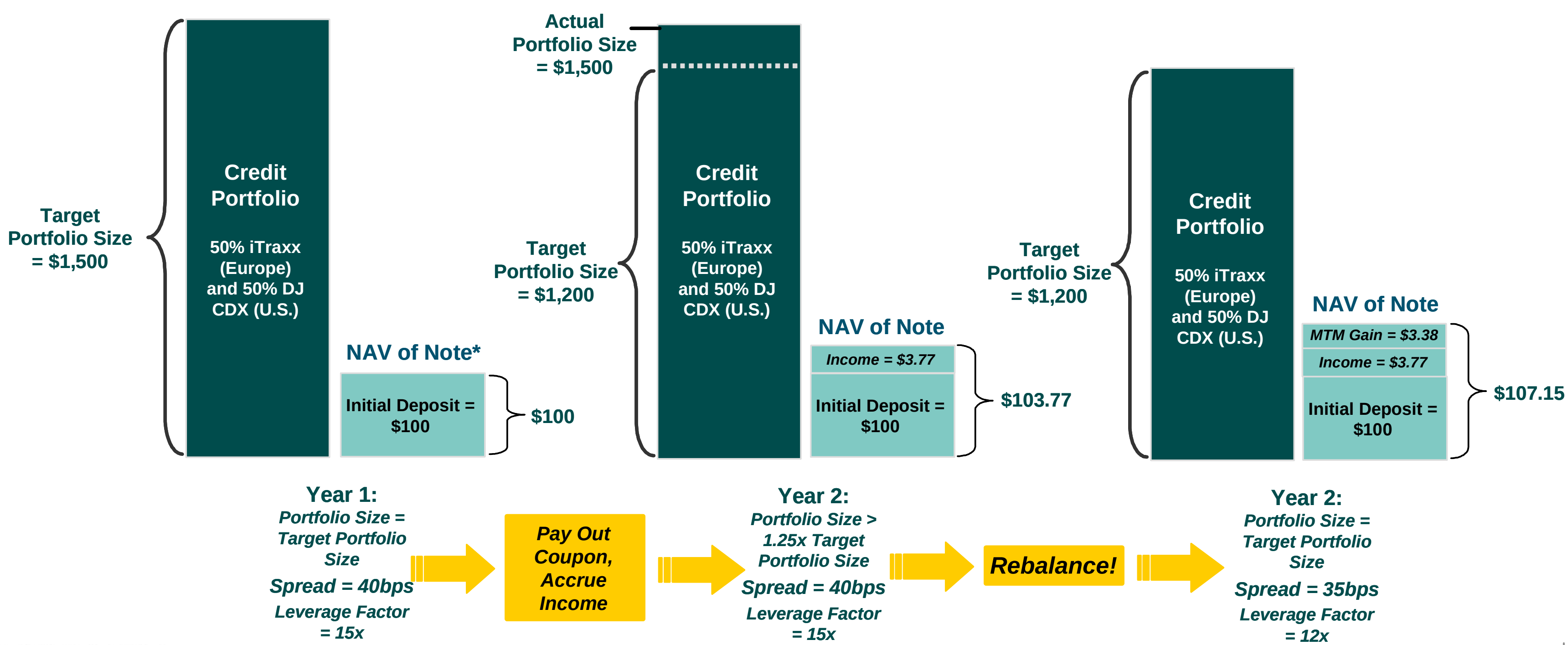
Transaction Overview

Key Features

- **Dynamic Leverage** (cont'd). **An Example:**
- **Year 1:**
  - ***Coupons are paid*** *and* ***income is accrued****.*
  - *The* ***Target Portfolio Size decreases*** *from $1,500 to $1,200.*
  - *Spread on the* ***Credit Portfolio falls from 40 bps to 35 bps*** *at the end of Year 1.*
- **Year 2:**
  - *The* ***transaction rebalances*** *by unwinding a part of the Credit Portfolio so that it equals the Target Portfolio size.*
  - *MTM Gains from the unwind flow to the note.*



** NAV = Cash Deposit +/- MTM of Credit Portfolio*

Transaction Overview

Key Features

- **On-the-Run, Investment Grade Credit Index** The credit portfolio is comprised of credit swaps on 5 year DJ CDX and ITraxx indices
  - *DJ CDX and iTraxx are liquid indices and provide broad diversified exposure to the credit market*
- Every six months, current index positions are unwound and new index swaps are entered into. This has 3 key benefits
  - *The credit indices are rolled over each 6 months into new series of indices. Rolling the index swaps ensures that the credit portfolio always references the latest index series and benefits from the index selection rules, i.e. entities downgraded to below investment grade and less liquid credits are removed and replaced by investment grade and more liquid entities*
  - *Older series become illiquid quickly. Rolling the index swaps each 6 months ensures greater liquidity in the credit portfolio and help to keep rebalancing costs low*
  - *Under normal market conditions income from extra premium and mark-to-market gains may be generated by extending the maturity of the index swaps to 5.25 yrs from 4.75 yrs at each index roll date*

Defaults in Credit Indicies

Index	*Inception Date*	*On-the-run Defaults*	*Defaults from Inception*	*Defaulted Company*	*Date of Default*
DJ CDX.IG	29-Oct-03	**0**	1	Delphi Corp.	08-Oct-05
iTraxx Europe	16-Jun-04	**0**	0	—	—

* As of Aug. 4, 2006

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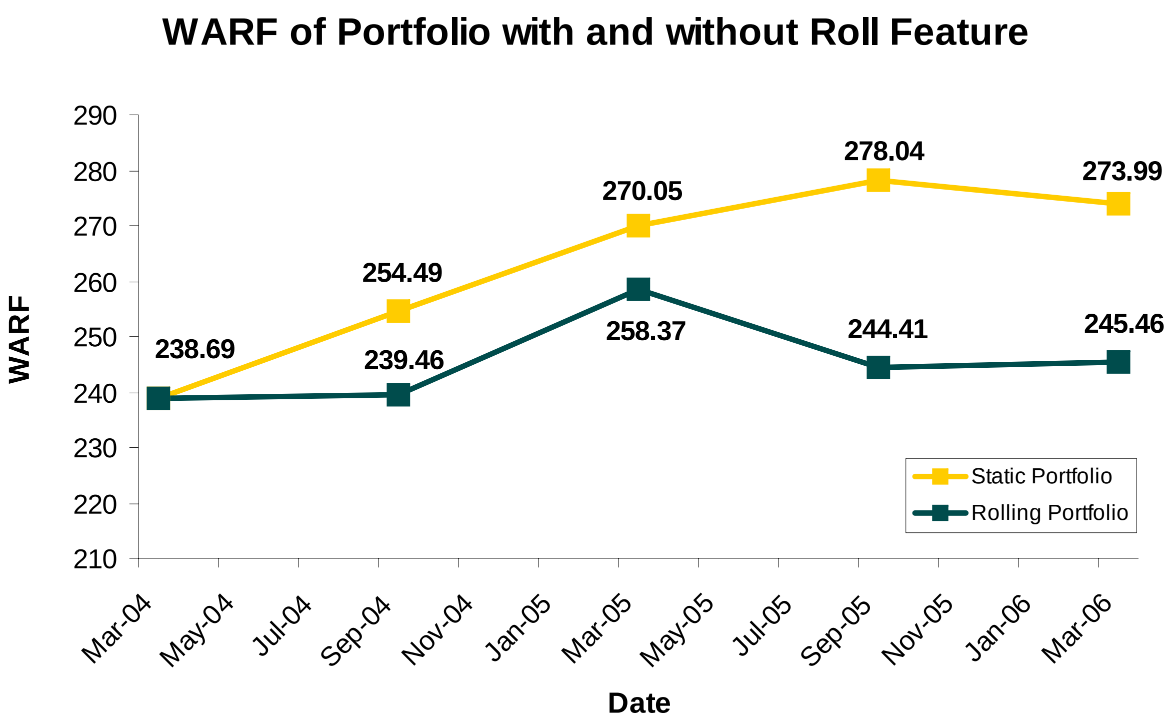
Transaction Overview

Key Features

- **On-the-Run, Investment Grade Credit Index** (cont'd)
  - When compared to a static portfolio comprised of 50% DJ CDX Series 2 and 50% iTraxx series 1, rolling the indices acts as a defensive mechanism that limits negative credit migration and default risk



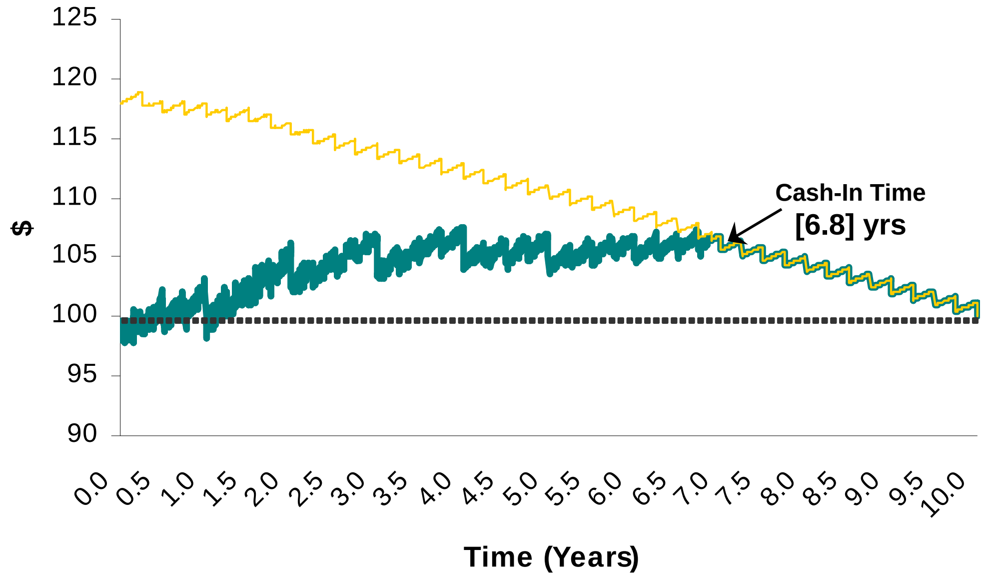
Transaction Overview

Key Features

- **"Cashing-In".** If the Note NAV rises above the value of a risk-free bond paying L + [200] bpa plus administration expenses, a "cash-in" event will be triggered and the credit index portfolio and deposit will be fully unwound.
  - *All proceeds of the unwind will be invested in zero-coupon, 'AAA' instruments yielding L + [200] bpa plus administration expenses.*
  - *Consequently, note holders will no longer be exposed to the risk of the credit portfolio, but will continue to receive coupon and principal payments based on the zero-coupon, 'AAA' instruments.*

Cashing-In*

Reference Bond Price vs. NAV of Note



** Cash-in timing based on Standard & Poor's methodology. The analysis above is based on a theoretical analysis and no assurance can be given with respect to future returns. The performance illustrated above are unlikely to be consistent with actual experience.*

Transaction Overview

Key Features

- **Relative Value.** SURF 2006-1 Notes exhibit greater relative value than a number of similar investments on a variety of metrics.

Investment Types							
	CPDO[1]	STCDO[3]	Optimized STCDO[4]	CPPI 100% Principal Protection[5]	CDO Principal Note[6]	SIV Capital Note[7]	CDO Combination Note
Rating	**AAA (principal & interest)**	AAA (principal & interest)	AAA (principal & interest)	AAA (principal only)	AAA (principal only)	BBB+ (principal & interest)	AAA (principal only)
Rated Coupon	**L + [200] bps**	L + [95] bps	L + [205] bps	Coupon not rated	Coupon not rated	L + [0] bps	Coupon not rated
Expected Returns	**L + [200] bps**	L + [95] bps	L + [205] bps	L + [280] bps	L + [350] bps	L + [125] bps	8.1%
Liquidity	**High**	Medium	Medium	High	Medium	Very Low	Low
Portfolio Rating Migration	**Very Low**	High	High	Very Low	High	Low	Medium
Coupon Payment	**Timely**	Timely	Timely	Deferrable	Deferrable	Deferrable	Deferrable
Correlation Risk	**No**	Yes	Yes	No	Yes	No	No

1,3,4,5,6,7—See Modeling Assumptions page for further description.

Transaction Overview

Transaction Terms

Issuer	Chess II Ltd, and SPV incorporated in Jersey
Swap Counterparty Dealer	ABN AMRO Bank N.V.
Calculation Agent	ABN AMRO Bank N.V.
Notional Amount	USD [ ] MM
Issue Price	100%
Issue Date	[Sept. 31], 2006
Form of Issue	Credit Linked Notes
Maturity Date	[10] years after the Issue Date, subject to the Early Redemption Provisions (which include following a Strategy Unwind Event).
Rating	The Notes are expected to be rated AAA by Standard & Poors ("S&P") on the Issue Date as to the timely payment of their coupons and principal.
Coupon	3M LIBOR + [200] bpa
Index Portfolio	[50% iTraxx Europe 5 Year / 50% DJ CDX.IG 5 Year]
Arrangement Fee	[1.0]% of Notional Amount
Operations and Expenses Fee	[20] bpa of Notional Amount
Secondary Market Repurchase	The Dealer intends to make secondary markets in the Notes subject to normal market conditions.
Status and Security	The Credit Linked Notes are limited recourse notes.
Early Redemption Provisions	The Notes may redeem early in certain circumstances including following a Cash-Out Event and an early termination of the Performance Swap, as set-out in the final note documentation.
Governing Law	English
Denominations	100000
ISIN Code	[ ]

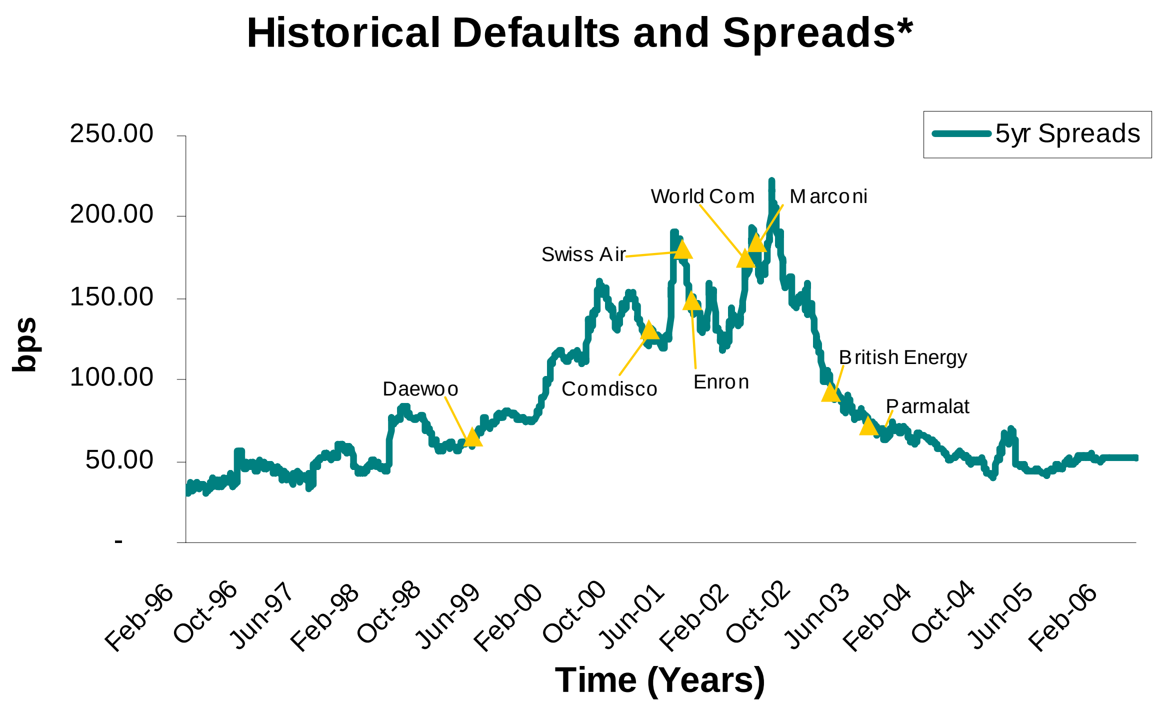
1,3,4,5,6,7—See Modeling Assumptions page for further description.

Note Performance

Note Performance

Hypothetical Historical Analysis

- **Defaults and Spreads**. The credit indexes came into existence in late 2003. However, it is possible to proxy historical performance by looking at various bond indexes*.

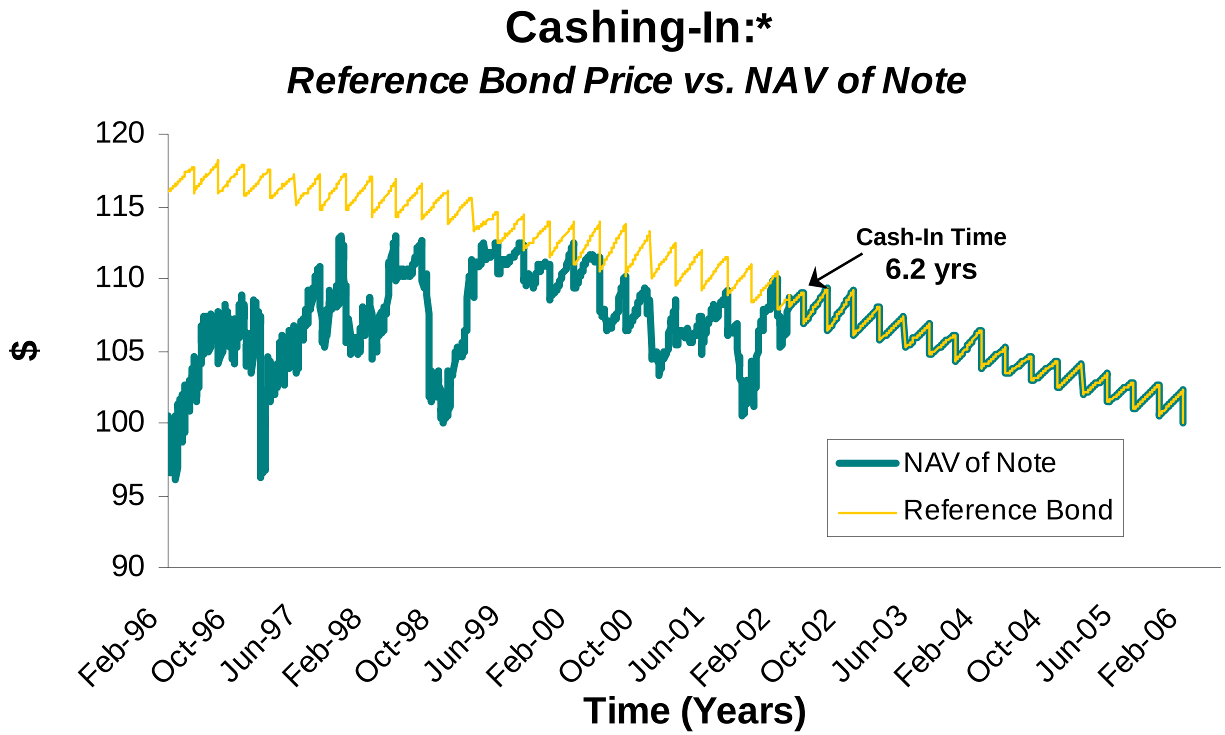


**A pro-forma spread history derived from MSCI Euro Credit Index (sourced from Bloomberg) with 2% AAA, 7% AA, 38% A and 53% BBB weighting has been produced as a proxy for the spread history for a 50%iTraxx/50%CDX basket (the weightings are the actual rating weightings in a current 50%iTraxx/50%CDX basket). Certain historical investment grade defaults were assumed over the period. Applied interest rates are actual corresponding interest rates derived from historical interest rate curves (sourced from Bloomberg). These parameters are run through the CPDO model (which has certain other modeling assumptions, including roll cost and curve shape as per S&P base case assumptions). This analysis is based on a theoretical analysis of the past and no assurance can be given with respect to future returns. The assumptions illustrated above are unlikely to be consistent with actual experience.*

Note Performance

Hypothetical Historical Analysis

- **NAV and Cash-In Time of Historical Bond**. If SURF 2006-1 was contracted on Feb. 1, 1996 it would have cashed-in after 6.2 years.



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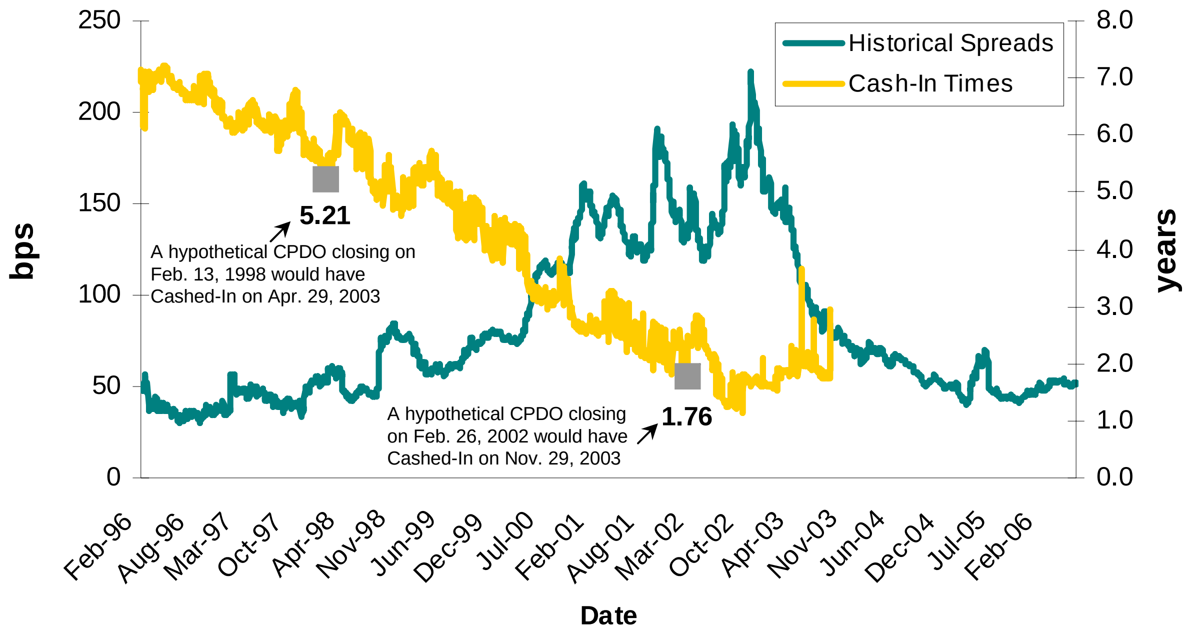
Note Performance

Hypothetical Historical Analysis

- **NAV and Cash-In Time of Historical Bond**. A hypothetical CPDO with the SURF 2006-1 structure* would have cashed in already if it had been originated at any time between Feb. 2006 and Aug. 2003.

Cash-In Times and Market Spreads



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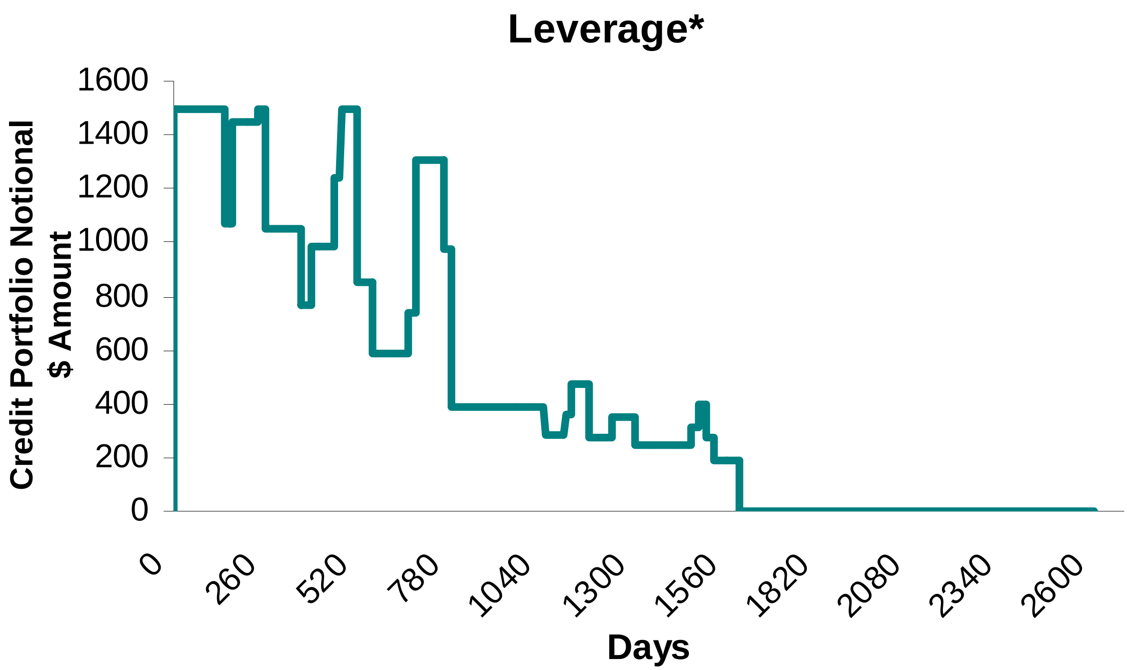
Note Performance

Hypothetical Historical Analysis

- **Leverage**. Based on a historical portfolio, the changes in leverage is shown below.



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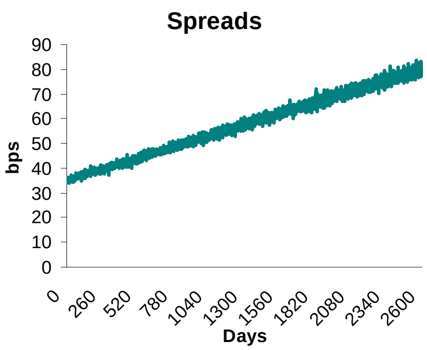
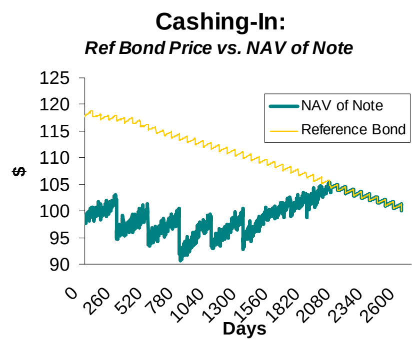
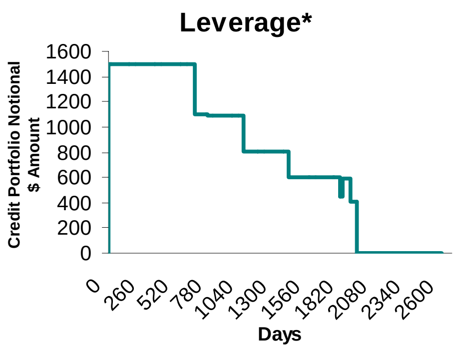
Note Performance

Return Analysis

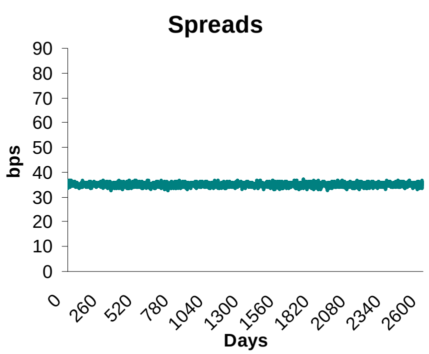
- **Forward Looking Simulations***. ABN AMRO can provide a variety of forward-looking, single-path runs.
  - **Scenario 1: Increasing Spreads, Front-Loaded Defaults**

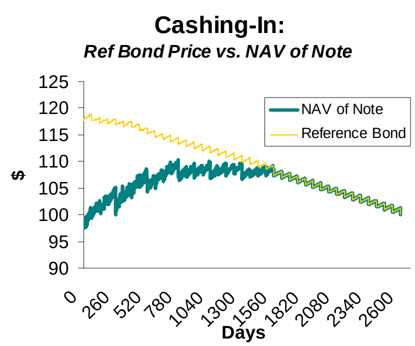


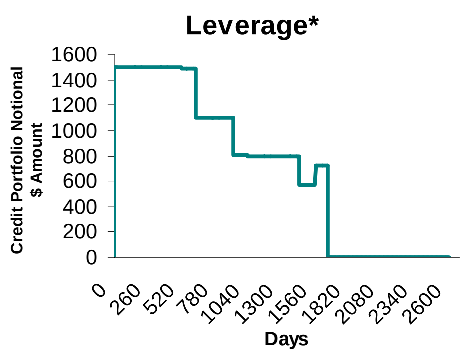




  - **Scenario 2: Flat Spreads, Front-Loaded Defaults**







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**The parameters described above, along certain other modeling assumptions, including roll cost and curve shape as per S&P base case assumptions, are run through the CPDO model. The assumptions illustrated above are indicative only and unlikely to be consistent with actual experience.*

S&P Rating Methodology

S&P Rating Methodology

Analyzing the Structure

- **Standard & Poor's** has determined that the SURF 2006-1 CPDO will generate sufficient returns to pay a timely coupon **L+ [200] bpa** and principal at maturity to achieve a **'AAA'** rating.
- There are three issues that are paramount for S&P in assessing the risks at a given rating level

1. **Credit Spread Movements**
   - The quantitative analysis of the rated return must assess the income and mark-to-market gains and losses due to the reconfiguring and rebalancing of the CDS indices over the life of the transaction. Spread changes may also trigger a cash-out event
   - Credit spreads are modelled using a modified Leverage Super Senior framework
2. **Credit Defaults**
   - Credit defaults are generated by S&P's CDO Evaluator
3. **Structural Considerations**
   - Rebalancing rules, treatment of index rolls, bid/offer spread effects, running fees, payment of coupons, in addition to the market and credit risk of the index portfolio, are taken into account in the rating modelling process

S&P Rating Methodology

Assigning the Rating

- As in all of its ratings, **S&P compares the distribution of returns** from their modeling to their **target default probabilities**, as derived from S&P's historical default study.
- The total numbers of paths in which the L+[200] bpa is **not achieved** must be lower than the target probability commensurate with a AAA rating and tenor.
- Since the S&P 10-year AAA cumulative default probability is [0.728]%, the SURF 2006-1 CPDO must demonstrate a return of at least L+[200] bpa in at least [99.272]% of the simulations.

Standard and Poor's Target Probabilities

	AAA	AA+	AA	AA-	A+	A	A-	BBB+
1	0.000%	0.002%	0.013%	0.024%	0.027%	0.033%	0.049%	0.234%
2	0.009%	0.017%	0.062%	0.078%	0.097%	0.121%	0.185%	0.514%
3	0.030%	0.050%	0.135%	0.166%	0.212%	0.263%	0.396%	0.850%
4	0.065%	0.104%	0.232%	0.290%	0.372%	0.459%	0.676%	1.246%
5	0.118%	0.182%	0.356%	0.452%	0.578%	0.709%	1.020%	1.704%
6	0.190%	0.287%	0.512%	0.654%	0.830%	1.013%	1.424%	2.221%
7	0.285%	0.420%	0.701%	0.897%	1.128%	1.368%	1.883%	2.792%
8	0.405%	0.584%	0.927%	1.182%	1.472%	1.774%	2.395%	3.413%
9	0.552%	0.781%	1.191%	1.509%	1.859%	2.226%	2.954%	4.076%
10	0.728%	1.013%	1.493%	1.876%	2.290%	2.724%	3.557%	4.777%

S&P Rating Methodology

Rating Process

1. In the analysis, the Standard & Poor's rating model was run from the issue date to the forward rating simulation point using the default and spread paths illustrated in order to model the note performance to the rating simulation point.
2. The spread starts from an initial spread of 34bps and increases linearly at the rate shown per annum until the rating simulation point with Standard & Poor's base case assumption for curve shape in all scenarios and roll cost for scenarios 1 and 2.
3. The rating model is then re-run using the current Standard & Poor's base case modeling assumptions at that future point in time to determine a potential rating. No assurance can be given with respect to future performance or future ratings.

*Rating Sensitivity Analysis**

- **The performance and rating of the CPDO is sensitive to:**
  - The evolution of credit spreads,
  - Defaults over time, and
  - Roll costs
- **The rating of the CPDO appears to be stable under a range of simulated default, credit spread scenarios, and roll costs as illustrated below:**

Standard & Poor's Sensitivity Analysis

Scenario 1

Base Assumptions	*Defaults Per Annum = 0, Roll Cost = 0%, Bid/Ask = 0.01%*		
Spread Assumptions	**0.0%** Spread Increase Per Year	**0.1%** Spread Increase Per Year	**0.2%** Spread Increase Per Year
Rating in Year 0	AAA	AAA	AAA
Rating in Year 1	AAA	AAA	AAA
Rating in Year 3	AAA	AAA	AAA
Rating in Year 5	AAA (Cash In)	AAA	AAA

Scenario 2

Base Assumptions	*Defaults Per Annum = 1, Roll Cost = 0%, Bid/Ask = 0.01%*		
Spread Assumptions	**0.0%** Spread Increase Per Year	**0.1%** Spread Increase Per Year	**0.2%** Spread Increase Per Year
Rating in Year 0	AAA	AAA	AAA
Rating in Year 1	AAA	AAA	AAA
Rating in Year 3	AA-	AAA	AAA
Rating in Year 5	Below BBB	AAA	AAA

Scenario 3

Base Assumptions	*Defaults Per Annum = 1, Roll Cost = 5%, Bid/Ask = 0.0025%*		
Spread Assumptions	**0.0%** Spread Increase Per Year	**0.1%** Spread Increase Per Year	**0.2%** Spread Increase Per Year
Rating in Year 0	AAA	AAA	AAA
Rating in Year 1	AAA	AAA	AAA
Rating in Year 3	AA-	AAA	AAA
Rating in Year 5	Below BBB	AAA	AAA

Scenario 4

Base Assumptions	*Defaults Per Annum = 1, Roll Cost = 5%, Bid/Ask = 0.0025%*		
Spread Assumptions	**0.0%** Spread Increase Per Year	**0.1%** Spread Increase Per Year	**0.2%** Spread Increase Per Year
Rating in Year 0	AAA	AAA	AAA
Rating in Year 1	AAA	AAA	AAA
Rating in Year 3	A	AAA	AAA
Rating in Year 5	Below BBB	AAA	AAA

**The assumptions underlying the analysis illustrated above are unlikely to be consistent with actual experience. In addition, S&P can change their rating assumptions, rating models and the way they monitor the rating at any time*

S&P Rating Methodology

Presale Report

- Standard & Poor's has published a Presale Report on SURF 2006-1 (under the name of Chess II, the European issuing vehicle). The report can be accessed on S&P's website at www.standardandpoors.com.

STANDARD & POOR'S

STRUCTURED FINANCE

Publication Date: Aug. 8, 2006

Synthetic CDO Presale Report

Chess II Ltd.

€200 Million, $200 Million, And ¥20 Billion Floating-Rate Notes Due 2016

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Class	Prelim. rating*	Prelim. amount and currency	Interest	Average Life	Legal final maturity
A	AAA	€200 million	Three-month EURIBOR plus a margin	June 2013	August 2016
B	AAA	$200 million	Three-month LIBOR plus a margin	June 2013	August 2016
C	AAA	¥20 billion	Three-month LIBOR plus a margin	June 2013	August 2016

**The rating on each class of securities is preliminary as of Aug. 8, 2006 and subject to change at any time. Final credit ratings are expected to be assigned on the closing date subject to a satisfactory review of the transaction documents and legal opinion, and completion of a corporate overview. Standard & Poor's ratings address timely interest and principal on the notes.*

Transaction Participants	
Arranger	ABN AMRO Bank N.V.
Issuer	Chess II Ltd.
Credit index portfolio administrator	ABN AMRO Bank N.V.
Reserve account provider	ABN AMRO Bank N.V.
Swap counterparty	ABN AMRO Bank N.V.

Supporting Ratings	
Institution/role	Rating
ABN AMRO Bank N.V. as swap counterparty and reserve account provider	AA-/Stable/A-1+

Transaction Key Features	
Expected closing date	August 2006
Structure type	Synthetic debt obligation
Portfolio composition	Corporate credit indices
Purpose of transaction	Arbitrage
Portfolio management type	Rules based rebalancing
Reinvestment period (years)	10
Weighted-average maturity of assets (years)	5

Selected Risk Factors

Selected Risk Factors

*Selected Risk Factors**

- **Credit Risk**
  - Investors are exposed to the credit risk of the underlying credit portfolio
  - In case of defaults or spread widening, the Note NAV will be negatively affected and the size of the credit portfolio may be increased or reduced
  - Leverage may increase the magnitude of losses
  - The Note is not guaranteed by ABN AMRO. CPDO is not a principal protected note. Actual amounts of interest and principal paid on the notes are subject to the investment strategy
- **Cash-Out Event**
  - If the NAV falls to 10% or lower, a "cash-out" event will be triggered and the credit portfolio is fully unwound
  - No coupon will be paid after a cash-out event and any recovered value will be paid to note holders
- **Price Volatility**
  - The NAV of the note is sensitive to credit spreads of the underlying portfolio of index swaps
  - The price of the notes may be lower than the initial purchase price
  - The traded price may be different from the NAV of the notes due to supply and demand issues
  - Leverage may increase the magnitude of price volatility

**The selected risk factors were not selected based on importance or relevance and the order in which they are presented is not meant to convey any prioritization. Potential investors should carefully consider all risk factors and other matters related to this transaction.*

Selected Risk Factors

*Selected Risk Factors**

- **Correlation Risk**
  - Moves in correlation will not directly affect the NAV of the notes
- **Performance and modelling risk**
  - Past performance may not be representative of future performance
  - Current modeling assumptions are unlikely to be consistent with actual performance of CPDO
  - Key modeling assumptions are set out in S&P base case assumption

**The selected risk factors were not selected based on importance or relevance and the order in which they are presented is not meant to convey any prioritization. Potential investors should carefully consider all risk factors and other matters related to this transaction.*

Modelling Assumptions

Main Modelling Assumptions

Item	Assumptions
(1) S&P Base Case Assumptions	[10,000] Monte Carlo simulations. Portfolio constituting 50% iTraxx Europe, 50% CDX.IG. Expected defaults produced by CDO Evaluator 3.0. Roll cost of 1 bps. Curve shape fitted conservately as per today's curve. Initial portfolio spread of 36bps with a volatility of 15%, Y0-1 MR = 40bps year, Y1-10 Mean reversion = 80. Upfront fee 100bps, Administrative and structuring fees 20 bpa of the Note Notional, Leverage Facility fee 3.5 bpa of the Maximum Notional Size
(2) Stable Credit Environment	[10,000] Monte Carlo simulations. Portfolio constituting 50% iTraxx Europe, 50% CDX.IG. No defaults. Roll cost of 1 bps. Curve shape fitted conservately as per today's curve. Initial portfolio spread of 36bps with a volatility of 15% and mean reversion 36bps. Upfront fee 100bps, Administrative and structuring fees 20 bps pa of the Note Notional, Leverage Facility fee 3.5 bps of the Maximum Notional Size
(3) STCDO	Portfolio constituting 50% iTraxx Europe, 50% CDX.IG. Tranche subordination produced by CDO Evaluator 3.0 [6.6% - 7.6%]
(4) Optimised STCDO	Portfolio Average Rating [BBB+]. Weighted Average Maturity 10 years. Rating Portfolio Composition (5% ‘AAA’, 6% ‘AA’, 12% ‘AA-’, 16% ‘A+’, 17% ‘A’, 12% ‘A-’, 15% ‘BBB+’, 13% ‘BBB’, 3% ‘BBB-’, 1% ‘NR’). Country Portfolio Composition (44% ‘North America, 53% ‘Western Europe’, 3% ‘Asia and Australia’). Tranche subordination produced by CDO Evaluator 3.0 [6.6% - 7.6%]
(5) CPPI 100% Principal Protection	Portfolio constituting 50% iTraxx Europe, 50% CDX.IG. Administrative, structuring and hedging fees 65 bpa of the Note Notional with a contingent coupon of E + 50 bpa.
(6) CDO Principal Note	Combines the 0-3% equity tranche of the Optimised STCDO (4) with a non-defease ABN zero with a maturity of 10yr
(7) SIV Capital Note	Portfolio average spread 23bps. 13x Leverage. Portfolio Average Rating [AA]. Weighted Average Maturity 5 years. Rating Portfolio Composition (63% ‘AAA’, 15% ‘AA’, 22% ‘A’). Sector Composition (22.5% ‘CDOs’, 22.5% ‘CMBS’, 10% ‘RMBS Prime’, 10% RMBS Sub-prime, 5% ‘ABS’, 30% ‘FI’). Arranging and structuring fees of EUR$ 3m upfront. Base Management fee 1bps based on the Notional of the Capital Notes. Senior and Junior management fees are 3 bps based on portfolio size. Performance fees 3 bps based on portfolio size

Post-Execution Servicing

Post-Execution Servicing

Reporting/Liquidity

- **Regular Transaction Reporting**
  - ABN AMRO expects to publish transaction reports regularly detailing
    1. *Performance summary*
    2. *Portfolio detail*
    3. *Leverage Calculation*

- **Daily Liquidity**
  - ABN AMRO expects to provide daily liquidity under normal market conditions

Reporting Date **31-Aug-06**
CPDO XSxxxxxxx

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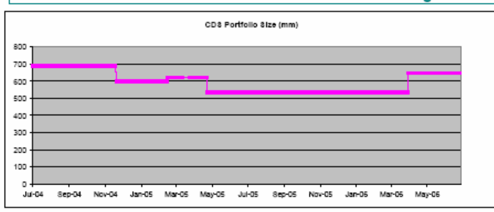
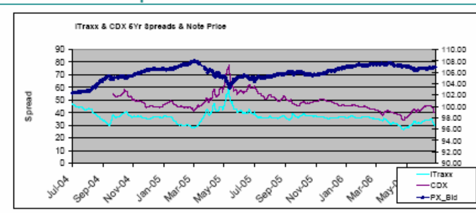
Deal Parameters		
Issue Date		24-Aug-06
Maturity Date		24-Aug-16
Notional (mln)		100.0
Current Leverage (mln)		646,000,000
Target Leverage (mln)		675,000,000
Maximum Index Portfolio Amount		750,000,000
Underlying Portfolio(s)	iTraxx Europe	DJ CDX
Portfolio Weight	50.0%	50.0%

All of the information herein, including public ratings and diversity score is provided based on what ABN AMRO reasonably believes to be reliable information. ABN AMRO makes no representations or warranties, express or implied as to its accuracy and we are not responsible for errors or omissions. The rating source is Bloomberg.

Note Leverage & Underlying Reference Portfolio Spreads





Rating action since 31-May-06

Moody's				
Reference Entity	Rating 30-Jun-06	Rating 31-May-06	Watch 30-Jun-06	Watch 31-May-06
Altadis	Baa2	Baa1	-	-
BAA PLC	Baa2	Baa1	Negative	Negative
Banca Intesa SpA	Aa3	A1	-	-
Bertelsmann AG	Baa1	Baa1	Negative	-
Centrica Plc	A3	A2	-	-
DSG International PLC	Baa2	Baa1	-	Negative
Swiss Reinsurance Company	Aa2	Aa2	-	Negative
Valeo	Baa2	Baa1	-	-
Vodafone Group Plc	A3	A2	-	-
COLT Telecom Group PLC	B3	B3	Positive	-
Corus Group Plc	B1	B2	-	-
Invensys Plc	B3	B3	Positive	-
NTL Cable PLC	Ba3	Unlisted	-	-
Seat Pagine Gialle SpA	Ba3	B1	-	-
VNU NV	B1	Ba1	Negative	Negative

S&P				
Reference Entity	Rating 30-Jun-06	Rating 31-May-06	Watch 30-Jun-06	Watch 31-May-06
↓ BAA PLC	BBB+	A	Negative	Negative
↑ Banco Santander Central Hispano SA	AA-	A+	-	-
↓ Bertelsmann AG	BBB+	BBB+	Negative	-
↓ Compagnie Financiere Michelin	BBB+	BBB+	Negative	-
↓ Siemens AG	AA-	AA-	Negative	-
↓ Swiss Reinsurance Company	AA-	AA	-	Negative
↓ Vodafone Group Plc	A-	A+	-	-
↑ Corus Group Plc	BB	BB-	-	Positive
↓ M-Real Oyj	BB-	BB-	Negative	-
↑ Rhodia SA	B+	B	-	-
↓ VNU NV	B+	BBB-	Negative	Negative

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Reference Portfolio

Reference Portfolio

Index Characteristics

- The credit portfolio in SURF 2006-1 is linked to the 5-year CDS indices comprised of 50% iTraxx Europe and 50% DJ CDX.IG, currently comprising 250 reference entities

1. **iTraxx Europe** is comprised of the top 125 investment grade European credits in terms of volume traded in the six months prior to index launch.
   - *The index is rolled each March and September, with sub investment grade and illiquid entities be removed and replaced with liquid investment grade credits*
   - *Administered by an independent third party, International Index Company (www.indexco.com)*
   - *The index is objective, independent and fully rules-based*
   - *The index and swap pricing are accessible to all market participants, thereby increasing liquidity and transparency.*
   - *More detailed information on the iTraxx Europe may be found at:* ***http://www.indexco.com/download/Products/CDS/iTraxx.EUR.Presentation.pdf***

2. **DJ CDX.IG** is comprised of the top 125 investment grade North American credits in terms of volume traded in the six months prior to index launch
   - *The index is rolled each March and September, with sub investment grade and illiquid entities be removed and replaced with liquid investment grade credits*
   - *Administered by an independent third party, Dow Jones & Co.*
   - *The index is objective, independent and fully rules-based*
   - *The index and swap pricing are accessible to all market participants, thereby increasing liquidity and transparency.*
   - *More detailed information on the DJ CDX.IG may be found at* ***http://djindexes.com/mdsidx/downloads/credit_derivative/rules.pdf***

Reference Portfolio

Dow Jones CDX.IG				
Reference Obligation	S&P Industry	Rating	Country	Country Rating
Alcoa Inc.	Nonferrous metals/minerals	A-	USA	AAA
Albertsons Inc.	Food/drug retailers	BB+	USA	AAA
ACE Limited	Insurance	BBB+	Bermuda	AA
AMERICAN ELECTRIC POWER COMPANY INC.	Utilities	BBB	USA	AAA
Aetna Inc.	Insurance	BBB+	USA	AAA
American International Group Inc.	Insurance	AA	USA	AAA
International Lease Finance Corporation	Equipment leasing	AA-	USA	AAA
Alcan Inc.	Nonferrous metals/minerals	BBB+	Canada	AAA
The Allstate Corporation	Insurance	A	USA	AAA
Amgen Inc.	Drugs	A+	USA	AAA
Anadarko Petroleum Corporation	Oil & gas	BBB+	USA	AAA
Arrow Electronics Inc.	Electronics/electrical	BBB-	USA	AAA
ALLTEL Corporation	Telecommunications	BBB-	USA	AAA
American Axle & Manufacturing Inc	Reserve	BBB-	USA	AAA
American Express Company	Financial intermediaries	A+	USA	AAA
AutoZone Inc.	Reserve	BBB+	USA	AAA
Boeing Capital Corporation	Financial intermediaries	A	USA	AAA
Baxter International Inc.	Health care	A-	USA	AAA
BellSouth Corporation	Telecommunications	A	USA	AAA
Bristol-Myers Squibb Company	Drugs	A+	USA	AAA
Burlington Northern Santa Fe Corporation	Rail industries	BBB+	USA	AAA
ConAgra Foods Inc.	Food products	BBB+	USA	AAA
Cardinal Health Inc.	Food/drug retailers	BBB	USA	AAA
Caterpillar Inc.	Industrial equipment	A	USA	AAA
The Chubb Corporation	Insurance	A	USA	AAA
Carnival Corporation	Lodging & casinos	A-	USA	AAA
Countrywide Home Loans Inc.	Financial intermediaries	A	USA	AAA
Clear Channel Communications Inc.	Radio & Television	BBB-	USA	AAA
Cendant Corporation	Lodging & casinos	BBB+	USA	AAA
Constellation Energy Group Inc.	Utilities	BBB+	USA	AAA
CIGNA Corporation	Insurance	BBB	USA	AAA
CIT Group Inc.	Financial intermediaries	A	USA	AAA
Comcast Cable Communications LLC	Radio & Television	BBB+	USA	AAA
Cingular Wireless LLC	Telecommunications	BBB+	USA	AAA
Capital One Bank	Financial intermediaries	BBB-	USA	AAA
ConocoPhillips	Oil & gas	A-	USA	AAA
Cox Communications Inc.	Cable & satellite television	BBB-	USA	AAA
Campbell Soup Company	Food products	A	USA	AAA
Computer Sciences Corporation	Business equipment & services	A	USA	AAA
CSX Corporation	Rail industries	BBB	USA	AAA
CenturyTel Inc.	Telecommunications	BBB+	USA	AAA
Centex Corporation	Building & Development	BBB	USA	AAA
CVS Corporation	Food/drug retailers	A-	USA	AAA
Dominion Resources Inc.	Chemicals & plastics	A-	USA	AAA
E. I. du Pont de Nemours and Company	Chemicals & plastics	AA-	USA	AAA
Deere & Company	Farming/agriculture	A-	USA	AAA
The Walt Disney Company	Leisure goods/activities/movies	A-	USA	AAA
The Dow Chemical Company	Chemicals & plastics	A-	USA	AAA
Duke Energy Corporation	Utilities	BBB	USA	AAA
Devon Energy Corporation	Oil & gas	BBB	USA	AAA
Eastman Chemical Company	Chemicals & plastics	BBB	USA	AAA
EOP Operating Limited Partnership	Chemicals & plastics	BBB	USA	AAA
Federated Department Stores Inc.	Food/drug retailers	BBB	USA	AAA
FirstEnergy Corp.	Utilities	BBB	USA	AAA
Federal Home Loan Mortgage Corporation	Financial intermediaries	AAA	USA	AAA
Federal National Mortgage Association	Financial intermediaries	AAA	USA	AAA
Sprint Corporation	Chemicals & plastics	A-	USA	AAA
General Electric Capital Corporation	Conglomerates	AAA	USA	AAA
General Mills Inc.	Food products	BBB+	USA	AAA
Goodrich Corporation	Aerospace & Defence	BBB-	USA	AAA
The Gap Inc.	Retailers (except food & drug)	BBB-	USA	AAA
Halliburton Company	Oil & gas	BBB	USA	AAA

Dow Jones CDX.IG				
Reference Obligation	S&P Industry	Rating	Country	Country Rating
Harrah s Operating Company Inc.	Lodging & casinos	BBB-	USA	AAA
The Hartford Financial Services Group Inc.	Insurance	A-	USA	AAA
Hilton Hotels Corporation	Lodging & casinos	BB+	USA	AAA
Honeywell International Inc.	Aerospace & Defence	A	USA	AAA
Hewlett-Packard Company	Business equipment & services	A-	USA	AAA
IAC/InterActiveCorp	Chemicals & plastics	BBB-	USA	AAA
International Business Machines Corporation	Business equipment & services	A+	USA	AAA
International Paper Company	Forest products	BBB	USA	AAA
Ingersoll-Rand Company	Industrial equipment	A-	USA	AAA
Jones Apparel Group Inc.	Clothing/textiles	BBB	USA	AAA
Nordstrom Inc.	Retailers (except food & drug)	A-	USA	AAA
Kraft Foods Inc.	Food products	A-	USA	AAA
The Kroger Co.	Food/drug retailers	BBB-	USA	AAA
Knight-Ridder Inc.	Chemicals & plastics	BBB+	USA	AAA
Lennar Corporation	Building & Development	BBB	USA	AAA
Lockheed Martin Corporation	Aerospace & Defence	BBB+	USA	AAA
Limited Brands Inc.	Chemicals & plastics	BBB	USA	AAA
Loews Corporation	Conglomerates	A	USA	AAA
Southwest Airlines Co.	Air transport	A	USA	AAA
Marriott International Inc.	Lodging & casinos	BBB+	USA	AAA
MBIA Insurance Corporation	Insurance	AA	USA	AAA
McDonald s Corporation	Food service	A	USA	AAA
McKesson Corporation	Conglomerates	BBB	USA	AAA
MetLife Inc.	Insurance	A	USA	AAA
MARSH & MCLENNAN COMPANIES INC.	Insurance	BBB	USA	AAA
Altria Group Inc.	Retailers (except food & drug)	BBB	USA	AAA
Motorola Inc.	Telecommunications	BBB+	USA	AAA
MeadWestvaco Corporation	Forest products	BBB	USA	AAA
Northrop Grumman Corporation	Aerospace & Defence	BBB+	USA	AAA
National Rural Utilities Cooperative Finance Corporation	Electronics/electrical	A	USA	AAA
Norfolk Southern Corporation	Rail industries	BBB+	USA	AAA
Newell Rubbermaid Inc.	Home furnishings	BBB+	USA	AAA
News America Incorporated	Leisure goods/activities/movies	BBB	USA	AAA
Omnicom Group Inc.	Business equipment & services	A-	USA	AAA
Progress Energy Inc	Utilities	BBB	USA	AAA
Pulte Homes Inc.	Building & Development	BBB-	USA	AAA
Transocean Inc.	Oil & gas	A-	USA	AAA
Rohm and Haas Company	Chemicals & plastics	BBB+	USA	AAA
RadioShack Corporation	Retailers (except food & drug)	BBB+	USA	AAA
Raytheon Company	Aerospace & Defence	BBB	USA	AAA
SBC Communications Inc	Telecommunications	A	USA	AAA
Sara Lee Corporation	Food products	BBB+	USA	AAA
Simon Property Group L.P.	Financial intermediaries	BBB+	USA	AAA
Sempra Energy	Utilities	BBB+	USA	AAA
Supervalu Inc.	Food/drug retailers	BBB	USA	AAA
Safeway Inc.	Retailers (except food & drug)	BBB-	USA	AAA
Target Corporation	Retailers (except food & drug)	A+	USA	AAA
Toll Brothers Inc.	Financial intermediaries	BBB-	USA	AAA
Sabre Holdings Corporation	Chemicals & plastics	BBB	USA	AAA
Tyson Foods Inc.	Food products	BBB	USA	AAA
Time Warner Inc.	Leisure goods/activities/movies	BBB+	USA	AAA
Textron Financial Corporation	Chemicals & plastics	A-	USA	AAA
Union Pacific Corporation	Rail industries	BBB	USA	AAA
CBS Corp	Leisure goods/activities/movies	BBB	USA	AAA
Valero Energy Corporation	Oil & gas	BBB-	USA	AAA
Verizon Global Funding Corp.	Telecommunications	A	USA	AAA
Wells Fargo & Company	Financial intermediaries	AA-	USA	AAA
Whirlpool Corporation	Home furnishings	BBB	USA	AAA
Washington Mutual Inc.	Financial intermediaries	A	USA	AAA
Wal-Mart Stores Inc.	Food/drug retailers	AA	USA	AAA
Weyerhaeuser Company	Forest products	BBB	USA	AAA
Wyeth	Drugs	A	USA	AAA
XL Capital LTD	Insurance	A-	USA	AAA

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Reference Portfolio

iTraxx Europe

Reference Obligation	S&P Industry	Rating	Country	Country Rating
AB Volvo (publ)	Automotive	BBB+	Sweden	AAA
ABN AMRO Bank NV	Financial intermediaries	AA-	Netherlands	AAA
Accor	Lodging & casinos	BBB	France	AAA
Adecco SA	Business equipment & services	BBB-	Switzerland	AAA
Aegon NV	Insurance	A+	Netherlands	AAA
Aktiebolaget Electrolux	Home furnishings	BBB+	Sweden	AAA
Akzo Nobel NV	Chemicals & plastics	A-	Netherlands	AAA
Allianz AG	Insurance	AA-	Germany	AAA
Groupe Auchan	Home furnishings	A	France	AAA
Altadis	Beverage & Tobacco	A-	Spain	AAA
Anglo American PLC	Nonferrous metals/minerals	A-	United Kingdom	AAA
Arcelor Finance SCA	Steel	BBB	Luxembourg	AAA
Aviva Plc	Insurance	A+	United Kingdom	AAA
AXA	Insurance	A	France	AAA
BAA PLC	Air transport	A+	United Kingdom	AAA
BAE Systems PLC	Aerospace & Defence	BBB	United Kingdom	AAA
Banca Intesa SpA	Financial intermediaries	A	Italy	AA-
Banca Monte dei Paschi di Siena S.p.A.	Financial intermediaries	A	Italy	AA-
Banco Comercial Portugues SA	Financial intermediaries	A-	Portugal	AA-
Banco Espirito Santo S.A.	Financial intermediaries	A-	Portugal	AA-
Banco Santander Central Hispano SA	Financial intermediaries	A+	Spain	AAA
Barclays Bank Plc	Financial intermediaries	AA	United Kingdom	AAA
Bayer AG	Chemicals & plastics	A	Germany	AAA
Bayerische Hypo-und Vereinsbank AG	Financial intermediaries	A	Germany	AAA
Bayerische Motoren Werke AG	Automotive	A+	Germany	AAA
Bertelsmann AG	Publishing	BBB+	Germany	AAA
Boots Group PLC	Food/drug retailers	BBB	United Kingdom	AAA
BP PLC	Oil & gas	AA+	United Kingdom	AAA
British American Tobacco Plc	Beverage & Tobacco	BBB+	United Kingdom	AAA
British Telecommunications Plc	Telecommunications	A-	United Kingdom	AAA
Cadbury Schweppes PLC	Food products	BBB	United Kingdom	AAA
Capitalia SpA	Financial intermediaries	A-	Italy	AA-
#VALUE!	Telecommunications	BBB	United Kingdom	AAA
Carrefour	Food/drug retailers	A+	France	AAA
Casino Guichard-Perrachon	Food/drug retailers	BBB	France	AAA
Commerzbank AG	Financial intermediaries	A-	Germany	AAA
Compagnie de Saint-Gobain	Building & Development	BBB+	France	AAA
Compagnie Financiere Michelin	Automotive	BBB+	Switzerland	AAA
Compass Group PLC	Food service	BBB+	United Kingdom	AAA
Continental AG	Automotive	BBB+	Germany	AAA
DaimlerChrysler AG	Automotive	BBB	Germany	AAA
Deutsche Bank AG	Financial intermediaries	AA-	Germany	AAA
Deutsche Lufthansa AG	Air transport	BBB	Germany	AAA
Deutsche Telekom AG	Telecommunications	A-	Germany	AAA
Diageo PLC	Beverage & Tobacco	A-	United Kingdom	AAA
Dresdner Bank AG	Financial intermediaries	A	Germany	AAA
DSG International PLC	Home furnishings	BBB-	United Kingdom	AAA
E.ON AG	Utilities	AA-	Germany	AAA
Edison SPA	Utilities	BBB+	Italy	AA-
EDP - Energias de Portugal SA	Utilities	A-	Portugal	AA-
Electricite de France	Utilities	AA-	France	AAA
EnBW Energie Baden-Wuerttemberg AG	Utilities	A-	Germany	AAA
Endesa SA	Utilities	A-	Spain	AAA
Enel SpA	Utilities	A+	Italy	AA-
European Aeronautic Defence and Space Company EADS NV	Aerospace & Defence	A	Netherlands	AAA
Finmeccanica SpA	Aerospace & Defence	BBB	Italy	AA-
Fortum OYJ	Utilities	A-	Finland	AAA
France Telecom	Telecommunications	A-	France	AAA
Gallaher Group PLC	Beverage & Tobacco	BBB	United Kingdom	AAA
GKN Holdings PLC	Automotive	BBB	United Kingdom	AAA
Glencore International AG	Financial intermediaries	BBB-	United Kingdom	AAA
Groupe Danone	Food products	A+	France	AAA

iTraxx Europe

Reference Obligation	S&P Industry	Rating	Country	Country Rating
GUS PLC	Retailers (except food & drug)	BBB+	United Kingdom	AAA
Hannover Rueckversicherungs AG	Chemicals & plastics	BBB-	Germany	AAA
Hellenic Telecommunications Organization SA	Telecommunications	BBB+	Greece	A
Hilton Group PLC	Lodging & casinos	BBB-	United Kingdom	AAA
Unicredito Italiano SpA	Financial intermediaries	A+	Italy	AA-
Iberdrola SA	Utilities	A	Spain	AAA
Imperial Chemical Industries PLC	Chemicals & plastics	BBB	United Kingdom	AAA
Imperial Tobacco Group Plc	Beverage & Tobacco	BBB	United Kingdom	AAA
KingFisher Plc	Home furnishings	BBB+	United Kingdom	AAA
Koninklijke KPN NV	Telecommunications	A-	Netherlands	AAA
Koninklijke Philips Electronics NV	Electronics/electrical	A-	Netherlands	AAA
Lafarge	Containers & glass products	BBB	France	AAA
LVMH Moet Hennessy Louis Vuitton	Leisure goods/activities/movies	BBB+	France	AAA
Marks & Spencer Plc	Retailers (except food & drug)	BBB	United Kingdom	AAA
Metro AG	Retailers (except food & drug)	BBB	Germany	AAA
MMO2 PLC	Telecommunications	BBB	United Kingdom	AAA
Muenchener Rueckversicherungs-Gesellschaft AG	Insurance	A+	Germany	AAA
National Grid Plc	Utilities	A	United Kingdom	AAA
Nokia Oyj	Telecommunications	A	Finland	AAA
Peugeot SA	Automotive	A-	France	AAA
PPR	Retailers (except food & drug)	BBB-	France	AAA
Reed Elsevier PLC	Publishing	A-	United Kingdom	AAA
Renault	Automotive	BBB+	France	AAA
Rentokil Initial 1927 Plc	Business equipment & services	BBB	United Kingdom	AAA
Repsol YPF SA	Oil & gas	BBB+	Spain	AAA
Reuters Group plc	Business equipment & services	A-	United Kingdom	AAA
Rolls-Royce plc	Aerospace & Defence	BBB+	United Kingdom	AAA
Royal Bank of Scotland Plc	Financial intermediaries	AA	United Kingdom	AAA
RWE AG	Utilities	A+	Germany	AAA
Safeway Limited	Food/drug retailers	BBB	United Kingdom	AAA
Linde AG	Chemicals & plastics	BBB+	Germany	AAA
Sanpaolo IMI SpA	Financial intermediaries	A+	Italy	AA-
Scottish Power UK plc	Utilities	A-	United Kingdom	AAA
Siemens AG	Conglomerates	AA-	Germany	AAA
Sodexho Alliance	Food service	BBB+	France	AAA
St Microelectronics NV	Electronics/electrical	A-	Netherlands	AAA
Assicurazioni Generali SpA	Insurance	AA-	Italy	AA-
Stora Enso OYJ	Forest products	BBB+	Finland	AAA
Suez	Utilities	A-	France	AAA
Swiss Reinsurance Company	Insurance	AA-	Switzerland	AAA
Tate_and_Lyle	Food/drug retailers	BBB	United Kingdom	AAA
TDC A/S	Telecommunications	BBB	Denmark	AAA
Technip	Chemicals & plastics	BBB-	France	AAA
Telecom Italia SpA	Telecommunications	BBB+	Italy	AA-
Telefonica SA	Telecommunications	A	Spain	AAA
Tesco Plc	Food/drug retailers	A+	United Kingdom	AAA
The Governor and Company of the Bank of Scotland	Financial intermediaries	BBB-	United Kingdom	AAA
Thomson	Electronics/electrical	BBB+	France	AAA
ThyssenKrupp AG	Steel	BBB-	Germany	AAA
Unilever NV	Cosmetics/toiletries	A+	Netherlands	AAA
Union Fenosa SA	Utilities	BBB+	Spain	AAA
United Utilities PLC	Utilities	A-	United Kingdom	AAA
UPM Kymmene OYJ	Forest products	BBB	Finland	AAA
Valeo	Automotive	BBB	France	AAA
Vattenfall AB (publ)	Utilities	A-	Sweden	AAA
Veolia Environnement	Utilities	BBB+	France	AAA
Vivendi Universal	Leisure goods/activities/movies	BBB	France	AAA
VNU NV	Publishing	BBB-	Netherlands	AAA
Vodafone Group Plc	Telecommunications	A+	United Kingdom	AAA
Volkswagen AG	Automotive	A-	Germany	AAA
Wolters Kluwer NV	Publishing	BBB+	Netherlands	AAA
Wpp Group Plc	Business equipment & services	BBB+	United Kingdom	AAA

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Reference Portfolio

Index Market Makers

ABN·AMRO
Bank of America
BARCLAYS CAPITAL
Bayern LB
BBVA
BEAR STEARNS
BMO Nesbitt Burns
BNP PARIBAS
CALYON CORPORATE AND INVESTMENT BANK
citigroup
COMMERZBANK CORPORATES & MARKETS
CREDIT SUISSE
Deutsche Bank
Dresdner Kleinwort Wasserstein
DZ BANK
Goldman Sachs
HSBC
HVB CORPORATES & MARKETS
ING
IXIS CORPORATE & INVESTMENT BANK GROUPE CAISSE D'EPARGNE
JPMorgan
LEHMAN BROTHERS
Merrill Lynch
Morgan Stanley
NATEXIS BANQUES POPULAIRES
NOMURA
Nordea
RBS The Royal Bank of Scotland
Grupo Santander
SG
TD Securities
UBS Investment Bank

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