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## Press Release

Sydney, 26 May 2005

### **ABN AMRO champions formula for socially responsible CDO**

ABN AMRO's newest collateralised debt obligation (CDO) offering has raised the quality benchmark for socially responsible fixed interest investment vehicles in Australia.

The AA- credit rated, five-year floating rate notes, paying BBSW plus 1.1% per annum, are structured from a portfolio of investment grade collateralised debt obligations, containing companies considered to be at the forefront of social responsibility.

RepuTex, Australia's largest independent ratings agency specialising in corporate social responsibility, screened more than 500 companies from around the world, to build a portfolio of companies rated "A-" or higher for their commitment to corporate governance, workplace practices, social impact and environmental impact.

Reputex analysis enhances traditional credit ratings by examining broader corporate issues that have the capacity to affect a company's financial viability, such as environment legislative change, community expectations and workplace cultures, fluctuating labour markets and political exposure.

Such analysis is fast becoming regarded as the next generation risk management tool for fixed income investments because it takes analysis far beyond exposure to market volatility over time.

"ABN AMRO's expertise in developing innovative fixed income solutions together with RepuTex's ability to measure company CSR exposure has produced a strong performing, socially sound investment with low risk," Paul Cordeiro, Head of ABN AMRO Repackaged & Structured Credit Products, said.

"This is attractive to institutions and organisations, particularly councils, government organisations, charities and other member funds that are looking specifically for long term, financially and socially sustainable investments.

"The addition of socially responsible CDOs to our existing fixed income product portfolio is a fantastic example of ABN AMRO's commitment to delivering innovative investment solutions which complement our strong commitment to sustainable development," he said.

Managing Director of ABN AMRO Sustainable Development, Richard Burrett, says there is growing demand from most western markets for products that are as ethically strong as they are profitable.

"Sustainability no longer just applies to a set of values that shape a company's culture, it is an essential product ingredient demanded by modern markets, regardless of sector," Mr Burrett said.

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“The way in which companies manage environmental and social risk issues needs to be assessed and understood when making investment decisions. In many sectors these issues are now key drivers in generating sustainable earnings growth,” he said.

“This new product offering is one of many exciting developments ABN AMRO has rolled out over the last twelve months to drive sustainable development within our business and throughout the broader market,” Mr Burrett said.

The portfolio for the REEF Series 1 consists of 300 companies from around the world, including Qantas and RIO Tinto. US companies make up close to half the portfolio, while companies specialising in alcohol, gambling, tobacco and weapons manufacture are automatically excluded.

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Note to Editors:

Netherlands-based ABN AMRO is a leading international bank with total assets of EUR 742.9 bln (as at 31 March 2005). It has over 3,000 branches in more than 60 countries and territories, and has a staff of about 97,000 full-time equivalents worldwide. ABN AMRO is listed on the Euronext and New York stock exchanges.