



STRICTLY PRIVATE & CONFIDENTIAL

CrossBorder Securitisation Case Studies

David Kahm, Vice President

*Asset Securitisation Asia Pacific,
Singapore*

Contact: (65) 6231 8483



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The Westin Chosun, Seoul, Korea*

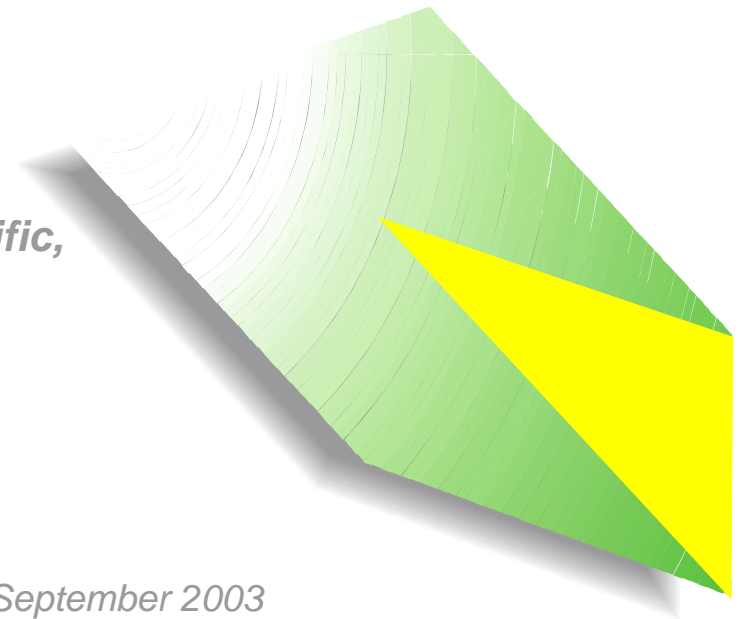



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ABN AMRO & Asset Securitisation

All EURO Denominated ABS/MBS - 1 Jan 2001 - 31 Dec 2001				
Pos	Manager or Group	Amt US\$ m.	Iss.	% Share
1	 ABN-AMRO	10,806.86	42	13.06
2	Salomon Smith Barney International	7,054.94	26	8.53
3	Credit Suisse First Boston	6,637.43	66	8.02
4	BNP Paribas	6,454.60	59	7.80
5	Merrill Lynch & Co	6,389.07	41	7.72
6	Deutsche Bank	5,852.95	49	7.07
7	Morgan Stanley Dean Witter	4,096.90	30	4.95
8	UBS Warburg	3,545.13	22	4.28
9	JP Morgan	2,985.44	43	3.61
10	Rabobank Nederland	2,467.18	10	2.98
Total of issues used in the table		82,739.55	441	100.00

Source Dealogic

10 Largest Sponsors of Multi-seller programs			
Rnk	Sponsor	% Market share	CP Outstandings (Billions)
1	Citibank	7.6%	\$56.8
2	 ABN-AMRO	7.2%	\$53.5
3	Banc One	6.0%	\$44.9
4	Bank of America	5.3%	\$39.7
5	GE Capital Corp.	4.7%	\$34.7
6	Liberty Hampshire Company	4.1%	\$30.7
7	J.P. Morgan Chase	3.9%	\$29.1
8	WestLB	3.6%	\$26.7
9	Rabobank	2.9%	\$21.9
10	Barclays	2.9%	\$21.8
Outstandings - Top 10 sponsors		48.3%	\$359.8
Total ABCP market outstandings		100.0%	\$745

Source: Goldman Sachs and Moody's (as of 12/31/01)

♦ Strong Capital Market Standings

- Structured over US\$ 6b in CDO transaction during year 2001 worldwide
- Structured over US\$ 53 billion in asset-backed CP conduits. No 2 provider worldwide
- Ranked 3rd in Euromarket Securitisations & 6th in International Securitisations in the first half 2002 (Thomson Financial, IFR, 29 June 2002).
- Strategic global business, operating 10 years, with 140 people worldwide

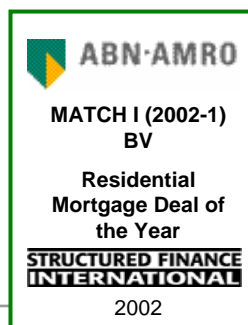
♦ Leader in Commercial Paper Conduit

- Active in securitisation since 1989 and presently sponsors 9 Asset-Backed Commercial Paper Conduits world-wide
- 2nd largest ABCP sponsor world-wide with current commitments exceeding USD 53 bln.
- Tulip is the largest European ABCP Conduit with current commitments of USD 7.3 bln
- Windmill Funding Corp. (A-1+/P-1), ABN AMRO's first multi-seller asset-backed commercial paper conduit established in 1993

ABN AMRO Worldwide Leadership Position (Cont'd)

Completed 'First' Securitisation Transactions in many Asian Countries

- ◆ First securitisation transaction in China with sale via PRC law
- ◆ First cross-border securitisation of local receivables in Singapore
- ◆ First foreign bank to underwrite a domestic ABS issue in Korea
- ◆ First use of credit derivatives (synthetic ABS) in Asia (ex-Japan)
- ◆ New delivered Asia Pacific ABCP Conduit



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Asset Securitisation

What is Securitisation?

Only a debt funding alternative which:

- ◆ Involves the sales of assets/predictable cashflows
- ◆ Creation of a bankruptcy remote Special Purpose Vehicle
- ◆ Issuance of debt securities to be repaid by asset/cashflows

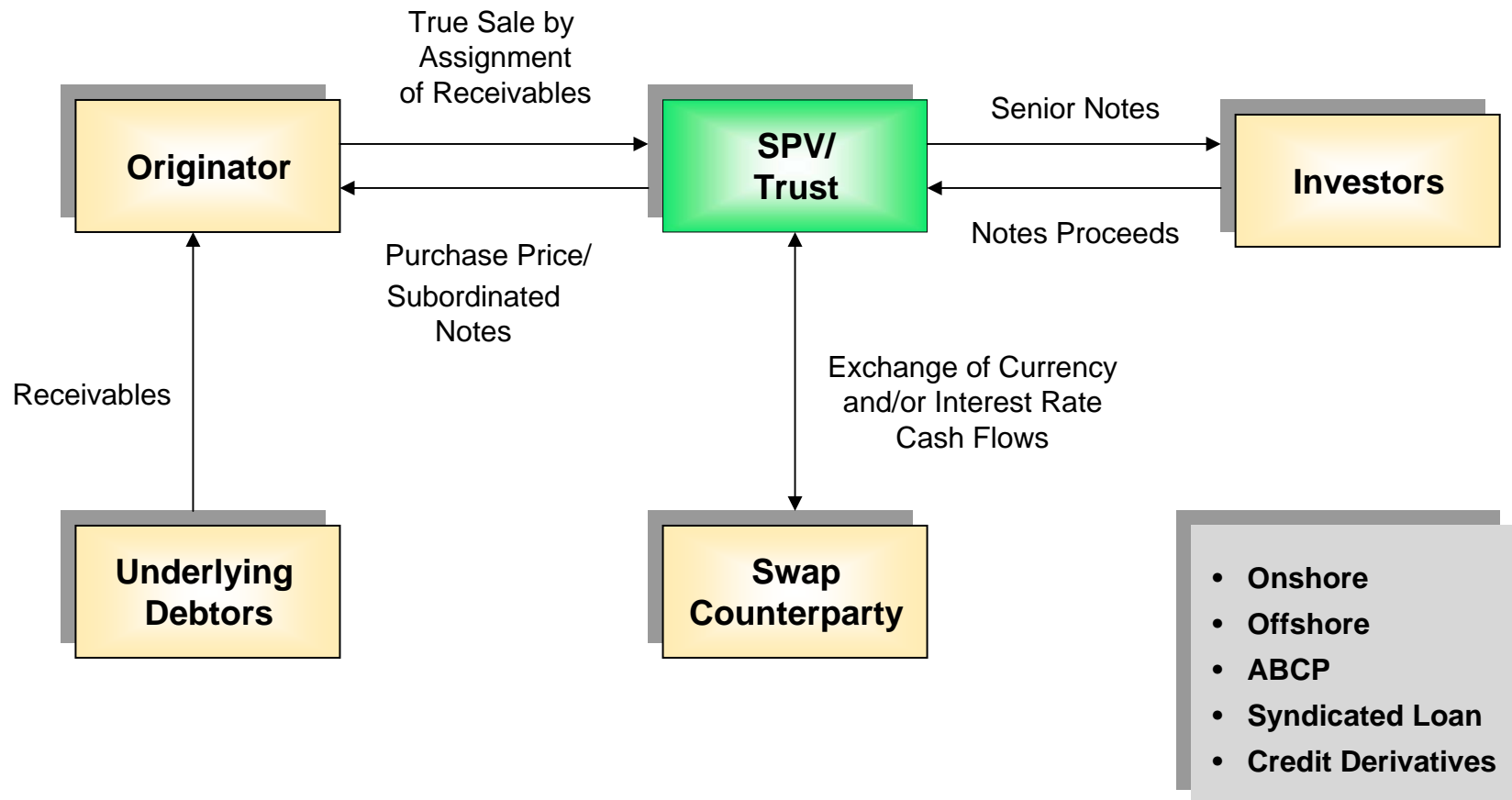
Most frequently effective when:

- ◆ Funding requirements can vary over time
- ◆ Assets are of highest quality
- ◆ Terms (amount, tenor) are demanding
- ◆ Existing Gearing is an issue

Most successful when:

- ◆ Assets are of highest quality
- ◆ Performance history exists
- ◆ Company in growth mode - funding diversification is important
- ◆ Capital utilization is a key measure for the company

Typical Securitisation Structure



Issuer Benefits

- ♦ **Attractive Funding Costs**
 - Cost based on structure/asset quality
 - Not constrained by sovereign or corporate rating
 - Diversification of funding
- ♦ **Off-Balance Sheet Financing**
 - Reduce gearing
 - Improve ROA
 - No dilution of corporate funding
- ♦ **Divest Risk**
- ♦ **Regulatory Capital Arbitrage (FI's only)**

Investor Benefits

- ♦ **Ratings Stability**
 - Easy to monitor asset performance
 - Largely insulated from corporate risk and market events
- ♦ **Relative Value**
 - Higher credit spread than comparable corporates
 - Limited liquidity
 - MBS securities are 50% risk weighted
- ♦ **Portfolio Diversification**

Eligible Assets - Think Broadly

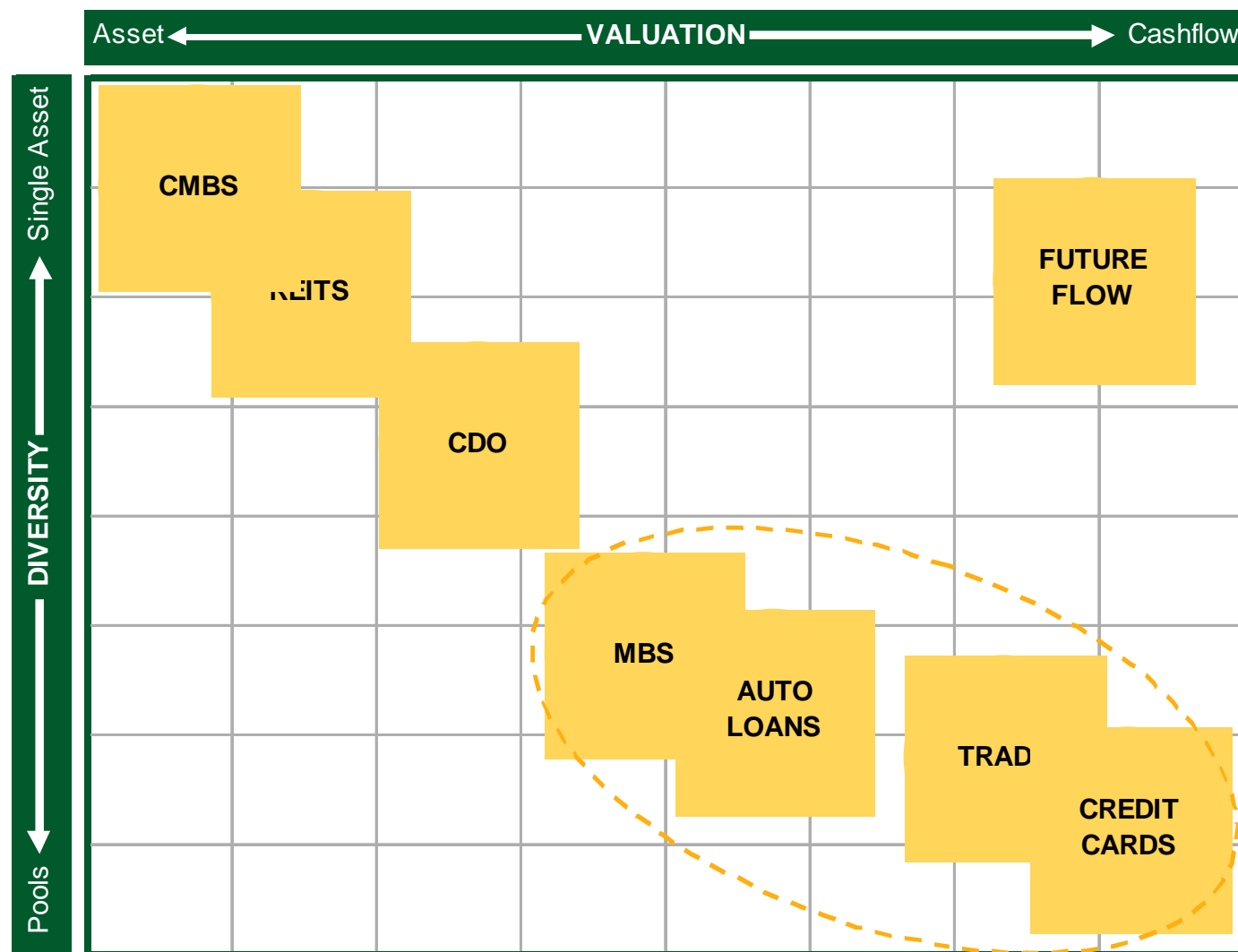
Financial Assets

- ◆ Residential mortgages and promissory notes
- ◆ Personal property lease and hire purchase receivables
- ◆ Credit card receivables
- ◆ Small business loans
- ◆ Non-performing loans
- ◆ Aircraft finance receivables
- ◆ Worker remittances
- ◆ Margin lending portfolios
- ◆ Bond investment portfolios
- ◆ Collateralised mortgage-backed securities (CMBs)
- ◆ Tax liens
- ◆ Consumer and commercial loans
- ◆ Insurance premium receivables
- ◆ Preferential employee loans

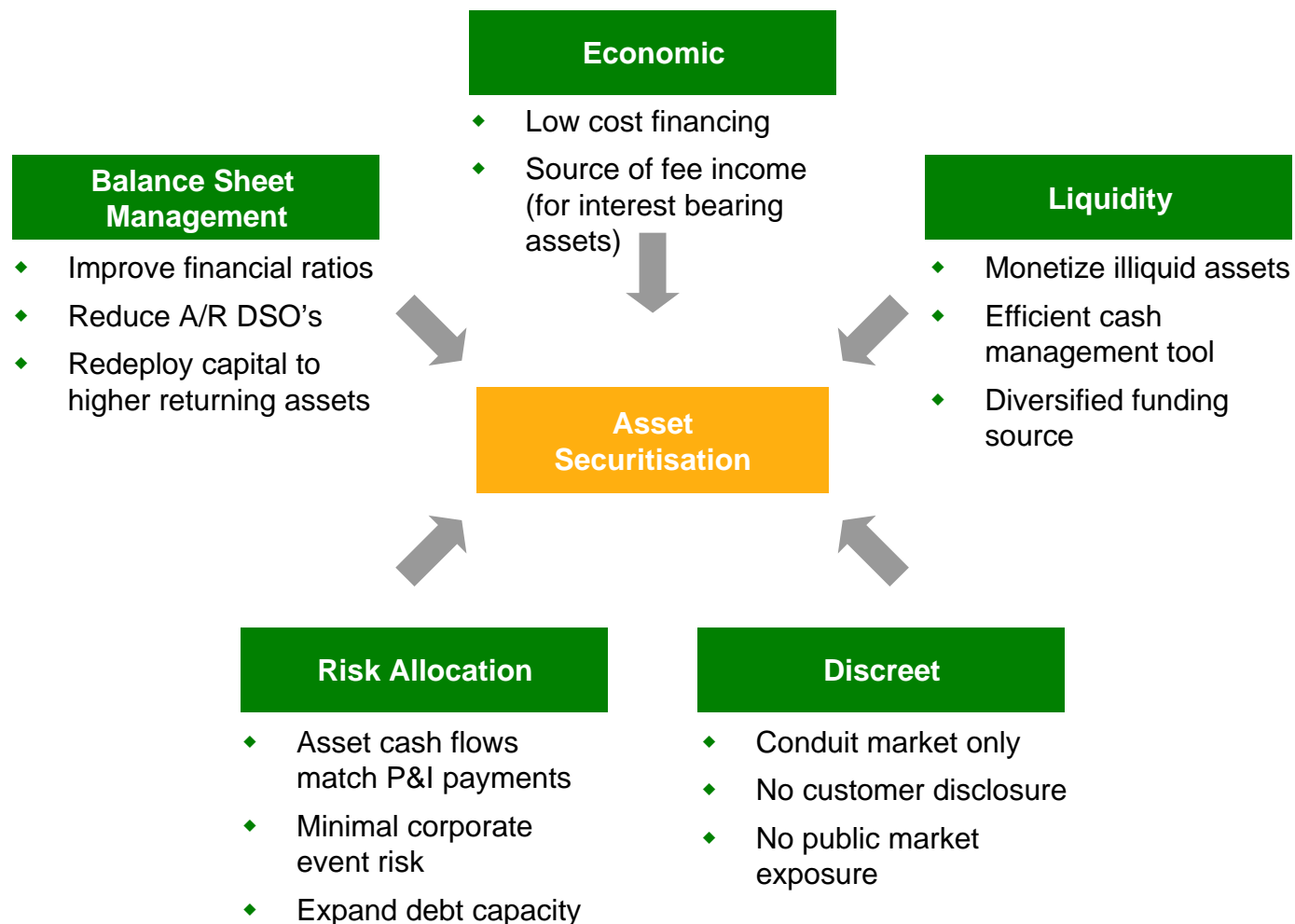
Corporate Assets

- ◆ Promissory notes
- ◆ Trade and export receivables
- ◆ Record and film royalties
- ◆ Timeshare cash flows
- ◆ Installment sale contract receivables
- ◆ Health care receivables
- ◆ Oil and gas receivables
- ◆ Utility receivables (electric, gas, water, telephone)
- ◆ Computer leases and computer service contracts
- ◆ Toll road receivables
- ◆ Private label charge cards
- ◆ Employee share loans

Profile of ABS Transactions



Reasons for Growth of Securitisation



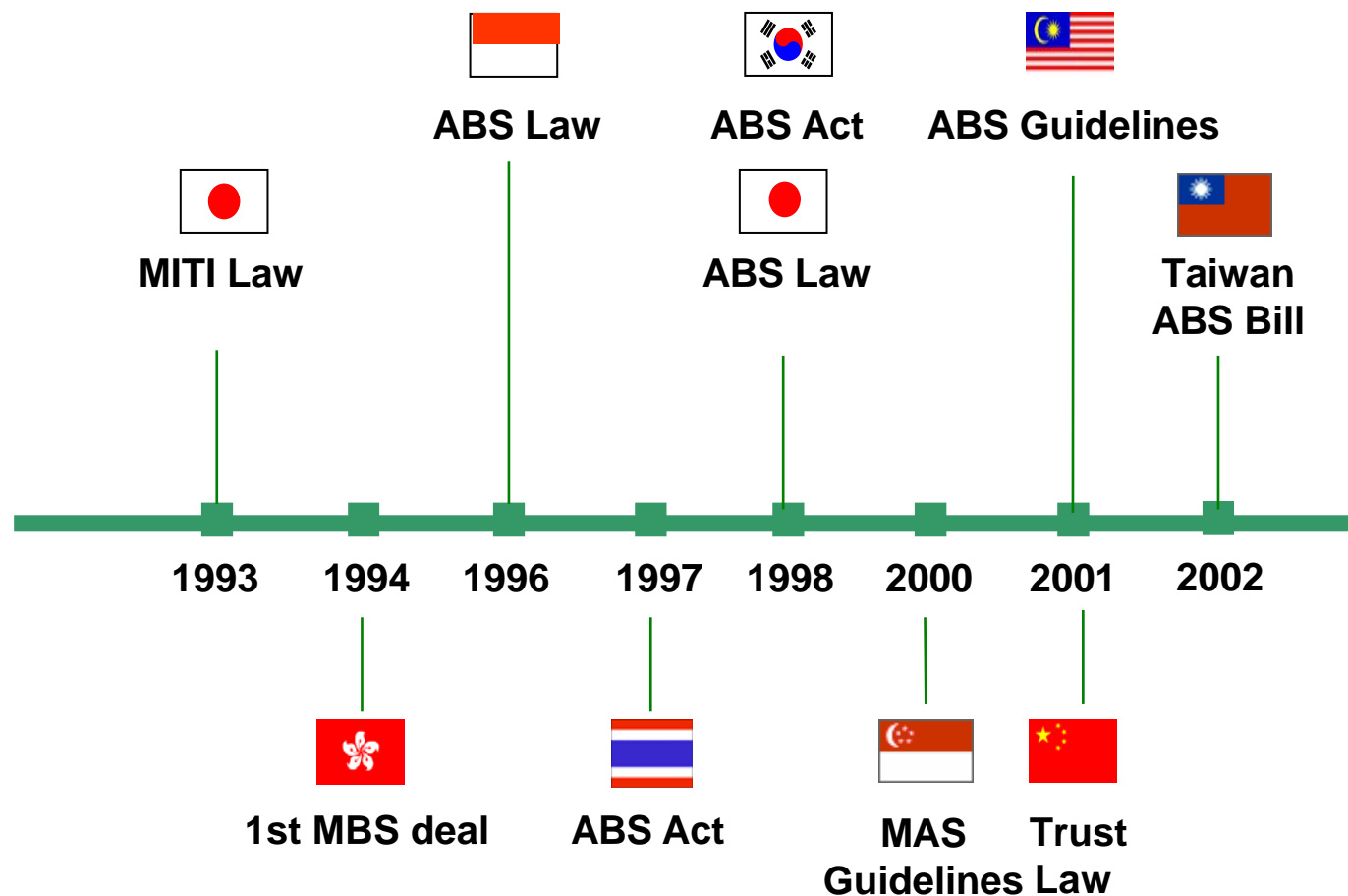
Conduit vs. Term Execution

	Conduit Execution	Term Execution
Optimal Deal Size	\$20-\$500 million	\$50 million or more
Typical Life	1-3 years	1-10 years
Typical Execution Time	8-10 weeks	12-14 weeks
Accounting Treatment	Off-balance Sheet	Off-balance Sheet
Funding Rate Basis	Spread off of CP or LIBOR indices, basis can be swapped	Fixed or floating (LIBOR), basis can be swapped
Rating Requirements	Rating agency review is usually required prior to closing. A very few experienced conduits have only annual post-closing reviews	At least one rating is required for a private placement. Depending on circumstances, two ratings may be advisable
Credit Enhancement	Transactions are typically not structured to AAA level, therefore a lower level of enhancement may be required. Enhancement often takes the form of overcollateralization, reserve accounts, letters of credit, or surety bonds	Transactions may be structured to AAA levels, requiring greater enhancement. Enhancement often takes the form of subordination, overcollateralization and dynamic reserves
Liquidity Facility	Required	Not required
Uses Available bank Credit	Yes. Although usually at a lesser rate than direct obligations of the borrower	No
Portfolio Performance Reporting Requirement	Monthly, or more frequently depending on specific circumstances	Daily
Prepayment	Usually no penalty for payments or facility reductions made on payment dates	Other than 'clean-up' calls, sponsor initiated prepayments are not allowed
Costs Up Front	Low to moderate	Moderate to high
Ongoing	Moderate	Moderate
All-In	Moderate	Moderate to high

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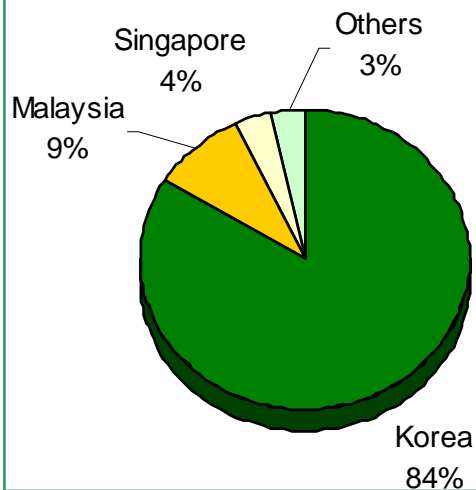
Securitisation in Korea

Regional Product Support



Korean Cross-Border Securitisation

Countries - 2001

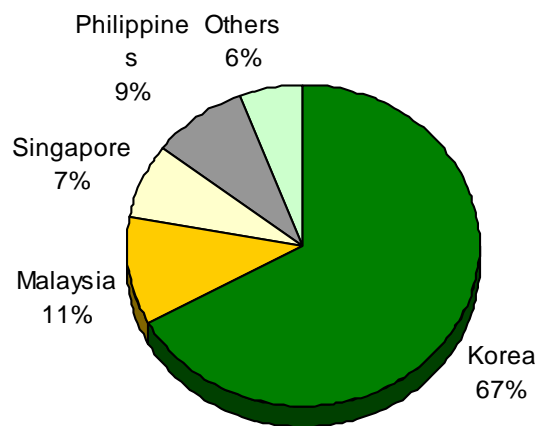


Issuance Volume of Cross-Border Term Transactions (US\$ Million)

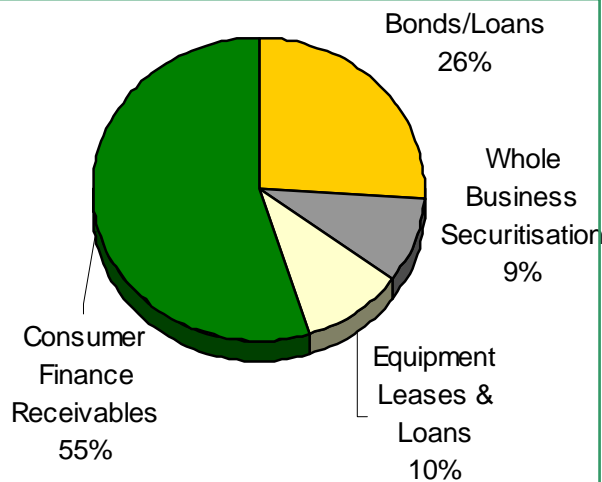
	1997	1998	1999	2000	2001	2002
China	300.00	-	234.75	-	-	-
Hong Kong*	1,316.00	236.00	1,182.06	299.69	-	-
Indonesia	348.00	-	-	-	-	-
Korea	-	265.00	106.09	1,186.91	2,301.42	3,723.57
Malaysia	-	-	-	-	250.00	600.00
Singapore	-	-	-	125.00	97.36	409.89
Thailand	83.00	-	-	-	-	-
Taiwan	790.00	200.00	-	-	-	-
Philippines	-	-	-	-	-	499.81
Others	-	51.50	206.60	33.30	92.34	324.31
Total	2,837.00	752.50	1,729.50	1,644.90	2,741.12	5,557.58

* Issuance in HK\$ are included

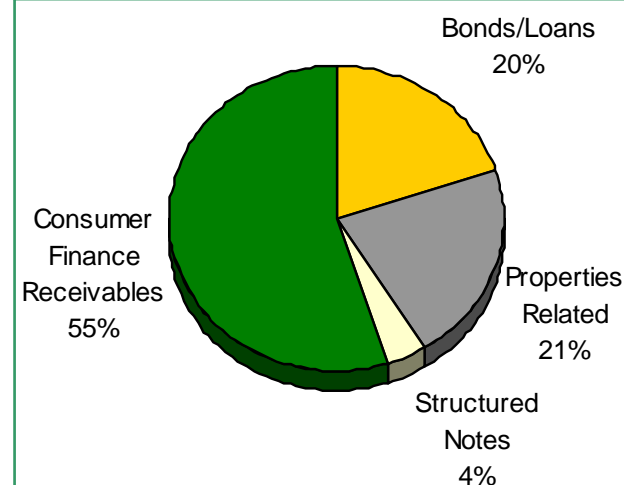
Countries - 2002



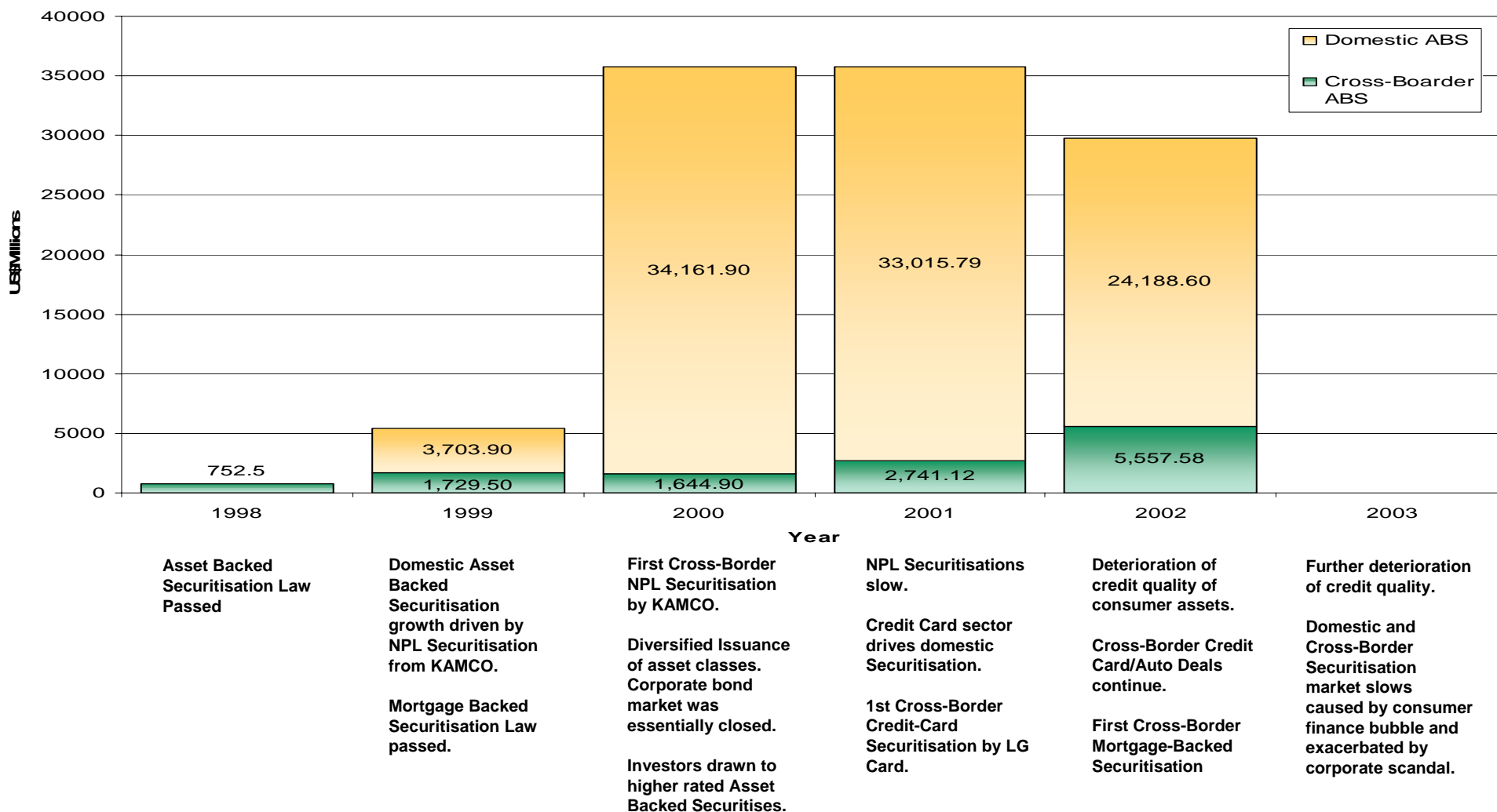
Assets - 2001



Assets - 2002



Korea Securitisation Markets



Asian Cross-Border Securitisation Transactions

Term Asian Securitisation Transactions Rated By Moody's in 2002					
Name of the Issuer	Country of Assets	Asset	Issued Amount (US\$)	Moody's Ratings	Monoline Insurer
Hyundai Capital Auto Funding Ltd.	Korea	Auto Loan Receivables	\$160,112,000	Aaa	FSA
Samsung Capital Auto 2002-1	Korea	Auto Loan Receivables	\$296,000,000	Aaa	
Jasmine Investment Corporation Ltd.	Singapore	Progressive Repayment in Residential Properties	\$144,000,000	Aaa	
			\$17,142,857	Aa2	
			\$8,571,429	A2	
Aragorn Investment Corporation Ltd.	Singapore	Progressive Repayment in Residential Properties	\$101,000,000	Aaa	
			\$5,714,286	Aa2	
			\$5,714,286	A2	
Bichumi Global I Ltd.	Korea	Residential Mortgages	\$299,600,000	Aaa	Ambac
KEB Card International ABS 2002-1 Ltd.	Korea	Credit Card Receivables	\$500,000,000	Aaa	FSA
Challenger III Asset Securitisation Specialty Company	Korea	Credit Card Receivables	\$500,000,000	Aaa	FSA
Plus One Ltd.	Korea	Credit Card Receivables	\$400,000,000	Aaa	XLCA
Kookmin Credit Card 2001-1 Ltd.	Korea	Credit Card Receivables	\$500,000,000	Aa3	
Samsung Capital A HA 2002-1	Korea	Credit Card Receivables	\$250,000,000	Aaa	MBIA
KLC Funding Ltd.	Korea	Revolving Personal Loans	\$207,161,607	Aa3	
Asia IG CDO Ltd.	Global	Shipping Leases	\$110,000,000	A3	
Asia IG CDO LLC		Bonds or Loans	\$33,250,000	Aaa	
			\$22,500,000	Aa2	
			\$17,500,000	Baa2	
Malaysia Global Sukuk Inc.	Malaysia	Four Parcels of Land	\$600,000,000	Baa1	
United Global Investment Grade CDO II Ltd.	Global	Bonds or Loans	\$34,000,000	Aa3	
			\$34,000,000	Baa2	
Power Sector Assets and Liabilities Management Corp.	Philippines	Bonds Issued by the PSALM	\$514,583,333	Baa1	

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Case Study 1

Diners Singapore

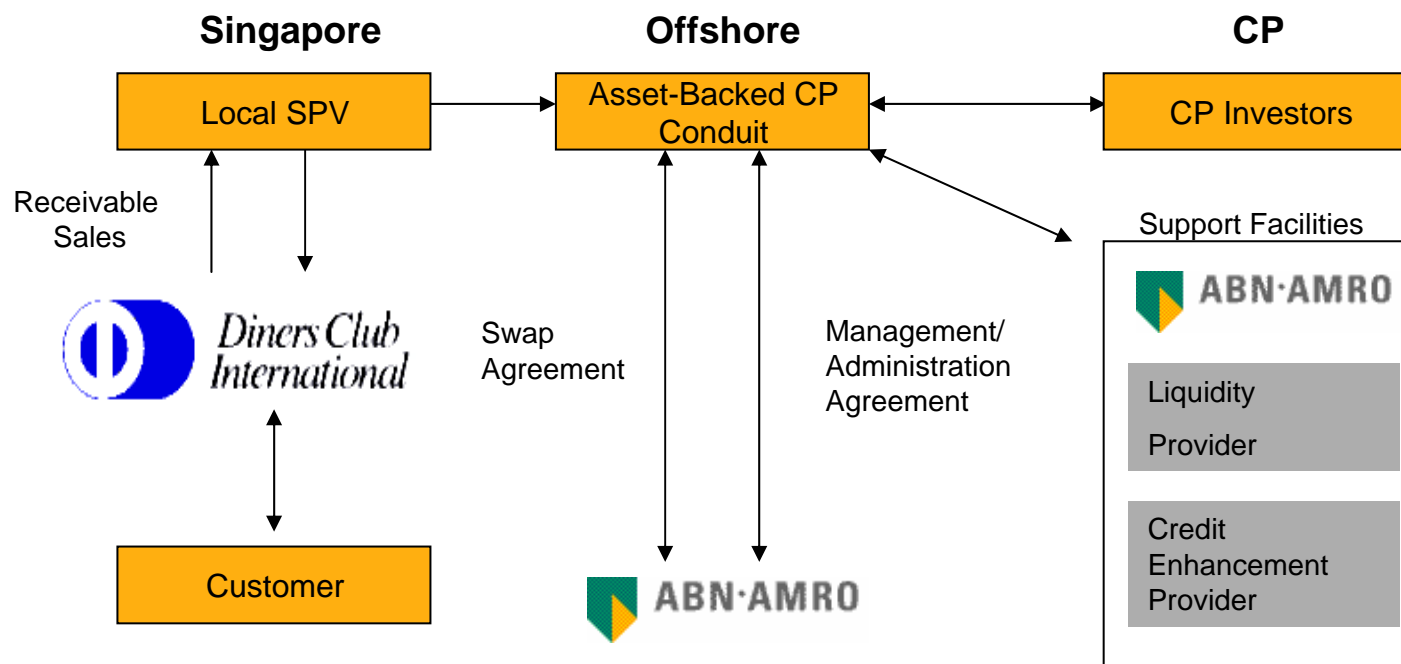
Financing Objectives

- ♦ Structural Flexibility
 - Existing S\$40 million Note Issuance Facility was outdated and inflexible
 - Working capital line needed
 - Ability to include both credit and charge card receivables

- ♦ Cost effective !!
- ♦ Diversification of Funding
- ♦ Consistent with desire for an initial public offering
- ♦ Off-balance sheet funding - to facilitate new business plans without further equity

Transaction Structure

- ◆ Diners agrees to regularly sell receivables to a specialized financing company (“SPV”)
- ◆ SPV funds receivables by either issuing commercial paper (“CP”), or rated ABS Notes. (For CP issuance bank facilities are required reflecting 100% of amount to be issued)
- ◆ Diners services sold receivables
- ◆ SPV is off-balance sheet (for both arranger and issuer)



Structure - Overview

- ◆ **Ability to fund onshore or offshore**
 - Primary funding source to be US CP market via conduit
 - Option to issue SGD Medium Term Notes/Local private placement
- ◆ **Diners incurs no new FX or market risk**
 - Can receive floating rate linked to Singapore Inter-bank or
 - Fixed rate for transaction term, with option to increase
- ◆ **Strategic Funding Solution**
 - Sale of all Diners receivables
 - Extends to all receivables
 - Ability to adjust borrowings each month
 - Notionally a three year program; but designed to act in perpetuity

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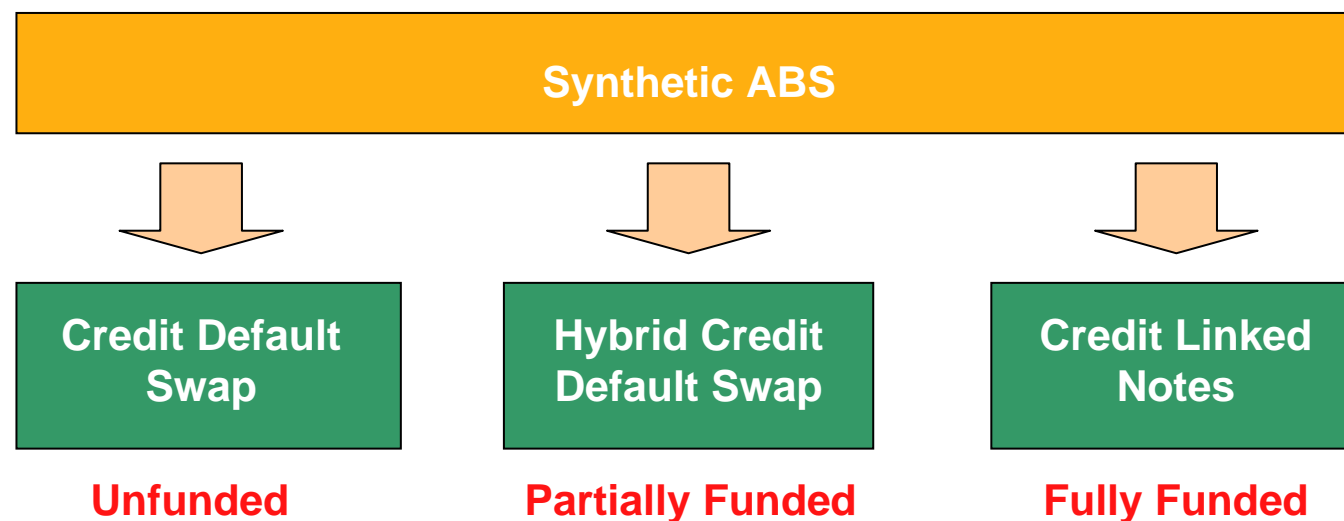
Case Study 2

Hong Kong - Synthetic

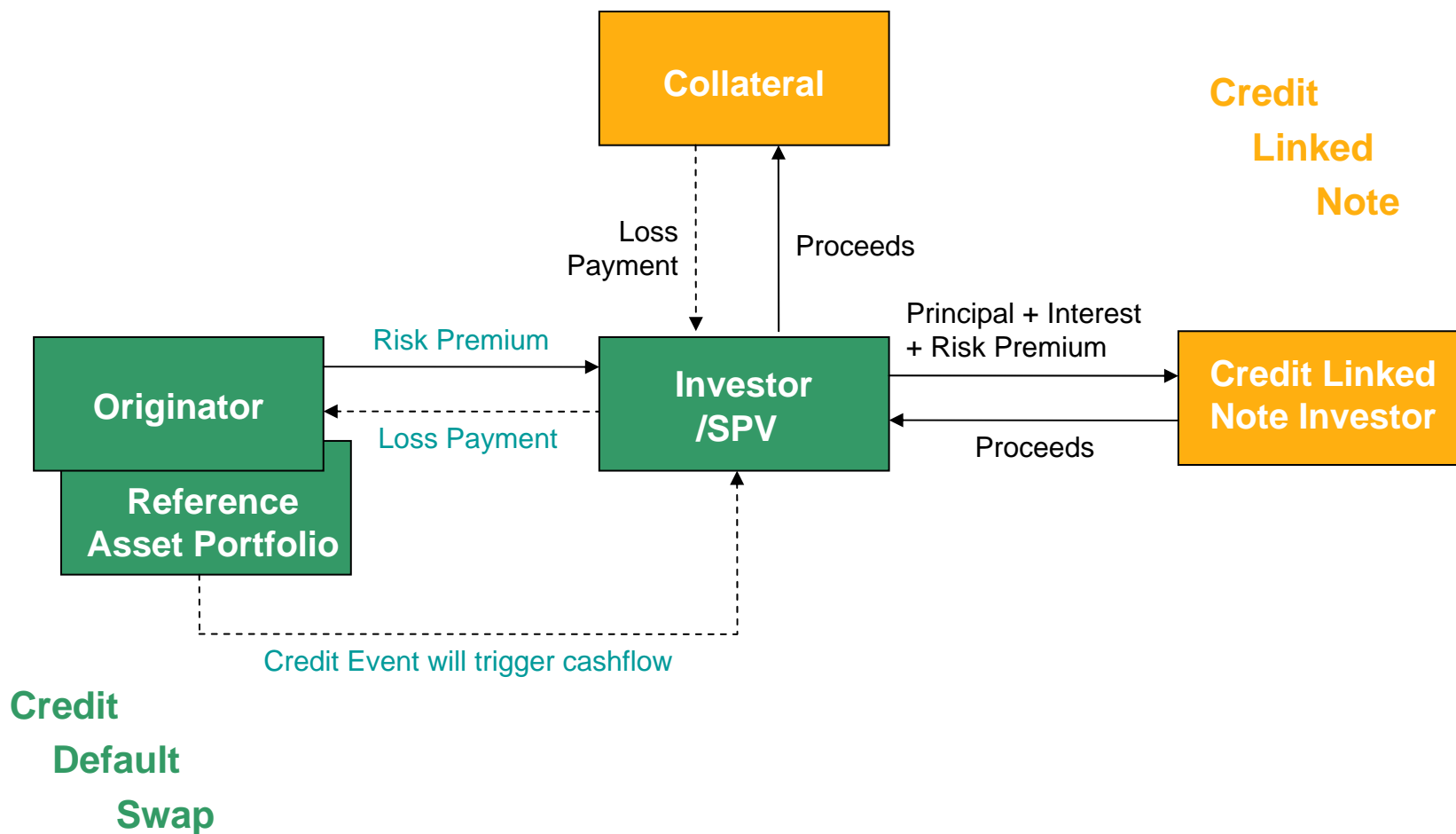
What is Synthetic Securitisation?

Risk management tool for banks which ...

- Is a combination of credit derivatives and securitisation.
- Involves the retention of the underlying asset
- Provides for purchase of risk protection (linked to an asset pool)
- Simplifies operational activity; only Credit Events trigger payment
- Attains regulatory capital relief



Synthetic Securitisation Structure



True Sale vs. Synthetic Securitisation

Issue	Securitisation	Synthetic ABS
Asset Transfer	Sold to SPV	None
Portfolio	Fixed (at closing)	Fixed or Dynamic
Funding	On all assets sold	None (CDS) On all assets sold (CLN)
Risk Transfer	Credit risk of reference portfolio	Credit risk of reference portfolio Credit risk of originator (CLN) Credit/ market risk of collateral (As defined in Credit Events)
Rating Issues	Asset based (primarily)	Originator linked
Accounting	Off-balance sheet	On-balance sheet
Regulatory Capital	On all assets sold	On all asset sold (CLN) Counterpart risk retained (CDS)

HK Synthetic MBS Co. Ltd. - Summary

This announcement appears as a matter of record only.

HK SYNTHETIC MBS CO. LIMITED

(Incorporated with limited liability in the Cayman Islands)

HK\$1,107,220,000 Notes

With Credit Linked to

Residential Mortgages Originated by

ABN AMRO Bank N.V., Hong Kong Branch

Lead Manager

ABN AMRO Bank N.V.

Co-Lead Manager

Abbey National Treasury Services plc, Hong Kong
Bank Austria AG, Hong Kong



December 2000

Milestone

Asia Pacific deal of the Year 2002 by ISR and SFI

First synthetic ABS transaction in Asia (ex-Japan)

First transaction allowing further advances

Objectives

To release regulatory capital employed in the business

Improve shareholder value (more profitability)

Employ capital to support new personal business

Value Creation

First transaction to breach HK sovereign ceiling (without third party support)

Structured to achieve 100% capital release

No sale of assets or unwinding of existing funding positions

Equity stub, structured and rated AA for sale to investors

HK Synthetic MBS Co. Ltd. - Structure



Transaction Overview

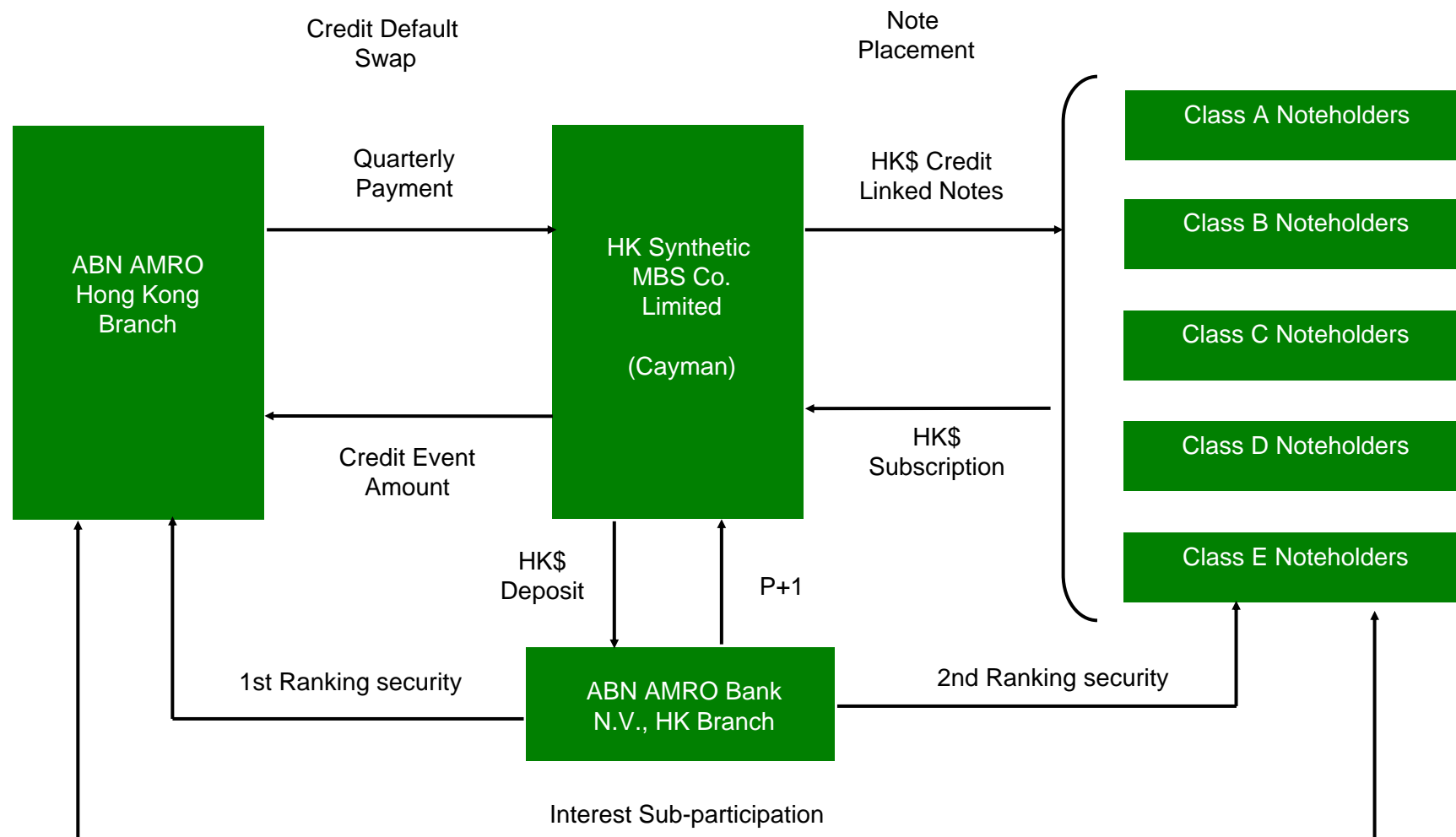
- ◆ In November 2000, HK Synthetic MBS Co. Ltd. (HKSM) issued HK\$ 1.26bln worth of CLNs backed by a portfolio of Residential Mortgages originated by ABN AMRO Bank N.V. Hong Kong Branch (AAHK; the “Originator”). The transaction was arranged and lead managed by ABN AMRO Bank.
- ◆ The transaction was a typical fully funded structure wherein HKSM entered into a CDS with the Originator for the Reference Portfolio of mortgage assets. The credit events under the structure were (i) any amount payable on a Reference Obligation is more than 90 days past due and (ii) a borrower of such Reference Obligation becomes bankrupt.

Structural Key Note (Interest Sub-Participation)

- ◆ The main hurdle in the level of capital relief that can be derived from such a structure is the size of the Equity Tranche, since this attracts dollar for dollar regulatory capital on the originator’s balance sheet.
- ◆ For this transaction, the Equity Tranche was actually rated as high as the senior most tranche, which is a unique feature.
- ◆ An innovative Interest Sub-Participation feature, which is proprietary to ABN AMRO structures was used.
- ◆ With a high rating of “AA” the Equity Tranche, was transformed into an eminently marketable instrument.
- ◆ Hence AAHK could release 100% of the regulatory capital on the Reference Portfolio.

	FACE VALUE (HK\$ mln)	RATING (S&P, Moodys, Fitch)
CLASS A	1,134	AA
CLASS B	69.30	A
CLASS C	18.90	BBB
CLASS D	18.90	BB
CLASS E	18.90	AA

HK Synthetic MBS Co. Ltd. - Structural Diagram



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Case Study 3

Single Asset Repacks

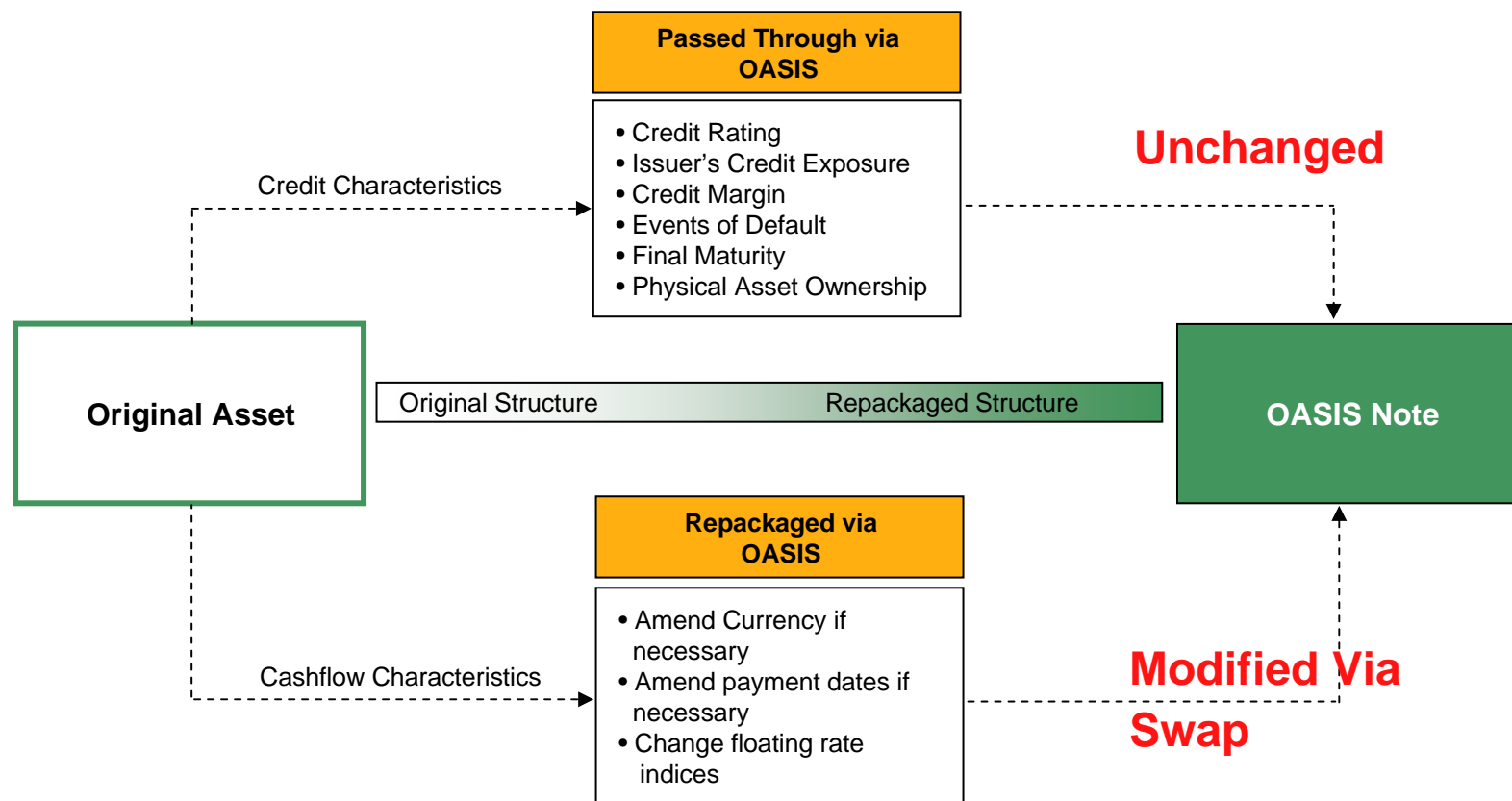
Overview - Single Note Asset Repackaging

In establishing its latest asset financing vehicle, OASIS, ABN AMRO wanted to be in a position of not only financing new assets outright, but also to act as an intermediary to meet the requirements of Asian investors for debt instruments with specific characteristics. The key features are:-

- ◆ The issuing vehicle for asset repackaging will be the same Cayman Island registered SPV (“Cayman Limited”) used to purchase receivables and pool of assets to be funded in the US CP market
- ◆ Each asset acquired will be via a new series of the Master Trust declared over all OASIS Limited assets (no co-commingling of assets)
- ◆ The SPV will issue Rated Notes ring-fenced solely to the asset acquired in the new series
- ◆ The nature of the SPV’s obligation is NOT a Credit Derivative, Derivative or Futures Contract
- ◆ It is intended that the rated Notes will be physically settled. However there is no restriction for them being traded and settled via an exchange subject to investor requirements.
- ◆ The SPV is bankruptcy remote from ABN AMRO
- ◆ As with ABCP financing, ABN AMRO will provide significant services to the SPV subject to service level agreements, swap counterparty and account administrator
- ◆ The investor has no documents to sign or contracts to enter (ISDA’s etc) into.

Asset Repackaging Concepts

- ♦ OASIS provides a seamless way to modify the cashflow profile of an asset to meet investor requirements.
- ♦ The credit profile of the assets are passed to the investor.



Asia Pacific Asset Securitisation



Gary Watmore

(65) 6 231 8287

Senior Vice President & Head
Asia Pacific Asset Securitisation
gary.watmore@sg.abnamro.com



David Kahm

(65) 6 231 8483

Vice President
Asia Pacific Asset Securitisation
david.kahm@sg.abnamro.com