



ABN AMRO Bank N.V.
ABN NotesSM
fully and unconditionally guaranteed by
ABN AMRO Holding N.V.

Securities linked to an Index, an Exchange-Traded Fund or a Basket of Indices, Exchange-Traded Funds and/or Other Underlying Assets

ABN AMRO Bank N.V. may, from time to time, offer and sell debt securities, which we collectively refer to as the “Securities,” linked to (i) an index of equity securities or commodity futures contracts, which we refer to as an “Underlying Index”; (ii) an exchange-traded fund that tracks the performance of an underlying index or basket of securities, commodities or currencies, primarily by holding securities or other instruments related to such underlying index or basket, which we refer to as an “Underlying Fund”; or (iii) a basket composed of Underlying Indices, Underlying Funds and/or other underlying assets. We refer to the index that an Underlying Fund tracks as a “Target Index.” This Underlying Supplement No. 1 describes a potential Underlying Index or a Target Index underlying Underlying Funds to which the Securities may be linked, as well as related matters concerning the relationship, if any, between ABN AMRO Bank and the sponsor or publisher of the Underlying Index or Target Index.

Additional terms that will generally apply to the Securities may be described in a Product Supplement, if any, accompanying this Underlying Supplement No. 1. This Underlying Supplement No. 1 supplements the terms described in the accompanying Product Supplement, Prospectus Supplement and Prospectus. A separate term sheet or pricing supplement, as the case may be, will describe terms that apply to any specific issue of Securities, including any changes to the description of the relevant Underlying Index or Target Index included in this Underlying Supplement. We refer to such term sheets and pricing supplements generally as Pricing Supplements. If the terms described in the relevant Pricing Supplement are inconsistent with those described herein or in any other related Underlying Supplement, or in the accompanying Product Supplement, Prospectus Supplement or Prospectus, the terms described in the relevant Pricing Supplement shall control. You should read this Underlying Supplement No. 1, the accompanying Product Supplement, Prospectus Supplement and Prospectus, and the relevant Pricing Supplement before you invest in the Securities.

This Underlying Supplement No. 1 describes only one potential Underlying Index or Target Index underlying Underlying Funds to which the Securities may be linked. We do not guarantee that we will offer Securities linked to the Underlying Index or Underlying Funds that track the Target Index described herein. In addition, we may offer Securities linked to one or more Underlying Indices or Underlying Funds tracking Target Indices that are not described herein. In such case, we will describe any such additional Underlying Indices or Target Indices in another Underlying Supplement, the applicable Pricing Supplement or the applicable Product Supplement.

The Securities are our unsecured and unsubordinated obligations and are fully and unconditionally guaranteed by ABN AMRO Holding N.V.

The Securities are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation, the Bank Insurance Fund or any other governmental agency.

The Securities involve risks not associated with an investment in conventional debt securities. See “Risk Factors” in the accompanying Product Supplement.

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

RBS Securities Inc.

In this Underlying 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 by the relevant Pricing Supplement and the related guarantees as the “Securities” and to each individual security offered thereby as a “Security.”

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Any Securities issued, sold or distributed pursuant to the relevant 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.

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THE S&P 500[®] INDEX

We have derived all information contained in this Underlying Supplement regarding the S&P 500[®] Index, 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, Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"). We make no representation or warranty as to the accuracy or completeness of such information. The S&P 500[®] Index was developed by S&P and is calculated, maintained and published by S&P. S&P has no obligation to continue to publish, and may discontinue the publication of, the S&P 500[®] Index.

The S&P 500[®] Index is reported by Bloomberg L.P. under the ticker symbol "SPX."

The S&P 500[®] Index is intended to provide a performance benchmark for the U.S. equity markets. The calculation of the level of the S&P 500[®] Index (discussed below in further detail) is based on the relative value of the aggregate Market Value (as defined below) of the common stocks of 500 companies (the "S&P Component Stocks") as of a particular time as compared to the aggregate average Market Value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. Historically, the "Market Value" of any S&P Component Stock was calculated as the product of the market price per share and the number of the then-outstanding shares of such S&P Component Stock. As discussed below, on March 21, 2005, S&P began to use a new methodology to calculate the Market Value of the S&P Component Stocks and on September 16, 2005, S&P completed its transition to the new calculation methodology. The 500 companies are not the 500 largest companies listed on the New York Stock Exchange (the "NYSE") and not all 500 companies are listed on such exchange. S&P chooses companies for inclusion in the S&P 500[®] Index with the objective of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the U.S. equity market. S&P may from time to time, in its sole discretion, add companies to, or delete companies from, the S&P 500[®] Index to achieve the objectives stated above. Relevant criteria employed by S&P include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the company's common stock is widely-held and the Market Value and trading activity of the common stock of that company.

On March 21, 2005, S&P began to calculate the S&P 500[®] Index based on a half float-adjusted formula, and on September 16, 2005, the S&P 500[®] Index became fully float-adjusted. S&P's criteria for selecting stocks for the S&P 500[®] Index was not changed by the shift to float adjustment. However, the adjustment affects each company's weight in the S&P 500[®] Index (*i.e.*, its Market Value).

Under float adjustment, the share counts used in calculating the S&P 500[®] Index reflect only those shares that are available to investors, not all of a company's outstanding shares. S&P defines three groups of shareholders whose holdings are subject to float adjustment:

- holdings by other publicly traded corporations, venture capital firms, private equity firms, strategic partners, or leveraged buyout groups;
- holdings by government entities, including all levels of government in the United States or foreign countries; and
- holdings by current or former officers and directors of the company, founders of the company or family trusts of officers, directors or founders, as well as holdings of trusts, foundations, pension funds, employee stock ownership plans, or other investment vehicles associated with and controlled by the company.

However, treasury stock, stock options, restricted shares, equity participation units, warrants, preferred stock, convertible stock and rights are not part of the float. In cases where holdings in a group exceed 10% of the outstanding shares of a company, the holdings of that group will be excluded from the float-adjusted count of shares to be used in the S&P 500[®] Index calculation. Mutual funds, investment advisory firms, pension funds or foundations not associated with the company and investment funds in insurance companies, shares of a U.S. company traded in Canada as "exchangeable shares," shares that trust beneficiaries may buy or sell without difficulty or significant additional expense beyond typical brokerage fees, and, if a company has multiple classes of

stock outstanding, shares in an unlisted or non-traded class if such shares are convertible by shareholders without undue delay and cost, are also part of the float.

For each stock, an investable weight factor (“IWF”) is calculated by dividing the available float shares, defined as the total shares outstanding less shares held in one or more of the three groups listed above where the group holdings exceed 10% of the outstanding shares, by the total shares outstanding. (On March 21, 2005, the S&P 500[®] Index moved halfway to float adjustment, meaning that if a stock has an IWF of 0.80, the IWF used to calculate the S&P 500[®] Index between March 21, 2005 and September 16, 2005 was 0.90. On September 16, 2005, S&P began to calculate the S&P 500[®] Index on a fully float-adjusted basis, meaning that if a stock has an IWF of 0.80, the IWF used to calculate the S&P 500[®] Index on and after September 16, 2005 is 0.80.) The float-adjusted Index is calculated by dividing the sum of the IWF multiplied by both the price and the total shares outstanding for each stock by the Index Divisor. For companies with multiple classes of stock, S&P calculates the weighted average IWF for each stock using the proportion of the total company market capitalization of each share class as weights.

As of the date of this Underlying Supplement, the S&P 500[®] Index is calculated using a base-weighted aggregate methodology: the level of the S&P 500[®] Index reflects the total Market Value of all 500 S&P Component Stocks relative to the S&P 500[®] Index’s base period of 1941–43 (the “Base Period”).

An indexed number is used to represent the results of this calculation in order to make the value easier to work with and track over time.

The actual total Market Value of the S&P Component Stocks during the Base Period has been set equal to an indexed value of 10. This is often indicated by the notation 1941–43=10. In practice, the daily calculation of the S&P 500[®] Index is computed by dividing the total Market Value of the S&P Component Stocks by a number called the Index Divisor. By itself, the Index Divisor is an arbitrary number. However, in the context of the calculation of the S&P 500[®] Index, it is the only link to the original Base Period level of the S&P 500[®] Index. The Index Divisor keeps the S&P 500[®] Index comparable over time and is the manipulation point for all adjustments to the S&P 500[®] Index (“Index Maintenance”).

Index Maintenance includes monitoring and completing the adjustments for company additions and deletions, share changes, stock splits, stock dividends and stock price adjustments due to company restructurings or spin-offs.

To prevent the level of the S&P 500[®] Index from changing due to corporate actions, all corporate actions which affect the total Market Value of the S&P 500[®] Index require an Index Divisor adjustment. By adjusting the Index Divisor for the change in total Market Value, the level of the S&P 500[®] Index remains constant. This helps maintain the level of the S&P 500[®] Index as an accurate barometer of stock market performance and ensures that the movement of the S&P 500[®] Index does not reflect the corporate actions of individual companies in the S&P 500[®] Index. All Index Divisor adjustments are made after the close of trading and after the calculation of the closing levels of the S&P 500[®] Index. Some corporate actions, such as stock splits and stock dividends, require simple changes in the common shares outstanding and the stock prices of the companies in the S&P 500[®] Index and do not require Index Divisor adjustments.

The table below summarizes the types of Index maintenance adjustments and indicates whether or not an Index Divisor adjustment is required.

Type of Corporate Action	Comments	Divisor Adjustment
Company added/ deleted	Net change in market value determines divisor adjustment.	Yes
Change in shares outstanding	Any combination of secondary issuance, share repurchase or buy back – share counts revised to reflect change.	Yes
Stock split	Share count revised to reflect new count. Divisor adjustment is not required since the share count and price changes are offsetting.	No

Type of Corporate Action	Comments	Divisor Adjustment
Spin-off	If spun-off company is not being added to the index, the divisor adjustment reflects the decline in index market value (<i>i.e.</i> , the value of the spun-off unit).	Yes
Spin-off	Spun-off company added to the index, another company removed to keep number of names fixed. Divisor adjustment reflects deletion.	Yes
Change in IWF due to a corporate action or a purchase or sale by an inside holder.	Increasing (decreasing) the IWF increases (decreases) the total market value of the index. The divisor change reflects the change in market value caused by the change to an IWF.	Yes
Special dividend	When a company pays a special dividend the share price is assumed to drop by the amount of the dividend; the divisor adjustment reflects this drop in index market value.	Yes
Rights offering	Each shareholder receives the right to buy a proportional number of additional shares at a set (often discounted) price. The calculation assumes that the offering is fully subscribed. Divisor adjustment reflects increase in market cap measured as the shares issued multiplied by the price paid.	Yes

Stock splits and stock dividends do not affect the Index Divisor, because following a split or dividend, both the stock price and number of shares outstanding are adjusted by S&P so that there is no change in the Market Value of the S&P Component Stock. All stock split and dividend adjustments are made after the close of trading on the day before the ex-date.

Each of the corporate events exemplified in the table requiring an adjustment to the Index Divisor has the effect of altering the Market Value of the S&P Component Stock and consequently of altering the aggregate Market Value of the S&P Component Stocks (the “Post-Event Aggregate Market Value”). In order that the level of the S&P 500[®] Index (the “Pre-Event Index Value”) not be affected by the altered Market Value (whether increase or decrease) of the affected Component Stock, a new Index Divisor (“New Divisor”) is derived as follows:

$$\frac{\text{Post-Event Aggregate Market Value}}{\text{New Divisor}} = \text{Pre-Event Index Value}$$

$$\text{New Divisor} = \frac{\text{Post-Event Aggregate Market Value}}{\text{Pre-Event Index Value}}$$

A large part of the index maintenance process involves tracking the changes in the number of shares outstanding of each of the S&P 500[®] Index companies. Four times a year, on a Friday close to the end of each calendar quarter, the share totals of companies in the S&P 500[®] Index are updated as required by any changes in the number of shares outstanding. After the totals are updated, the Index Divisor is adjusted to compensate for the net change in the total Market Value of the S&P 500[®] Index. In addition, any changes over 5% in the current common shares outstanding for the S&P 500[®] Index companies are carefully reviewed on a weekly basis, and when appropriate, an immediate adjustment is made to the Index Divisor.

License Agreement

S&P has entered into a non-transferable, non-exclusive license agreement granting us and certain of our affiliated or subsidiary companies, in exchange for a fee, the right to use the S&P[®] 500 Index, which is owned and published by S&P, in connection with certain securities, including the Securities.

The license agreement between S&P and us provides that the following language must be set forth in this Underlying Supplement:

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