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## **IR / Press Release**

Amsterdam, 28 June 2012

### **ABN AMRO and Ageas agree to settle legal proceedings**

ABN AMRO Group N.V. and ABN AMRO Bank N.V. ("together ABN AMRO") and ageas SA/NV and ageas N.V. ("together Ageas") have agreed to settle the legal proceedings regarding ABN AMRO Capital Finance Ltd (former Fortis Capital Company Ltd. hereinafter "AACF" ) and the Mandatory Convertible Securities (MCS). This settlement also brings to a close all outstanding disputes between the Dutch State and Ageas in relation to the equity transactions which resulted in the take-over of the Dutch activities of the former Fortis group by the Dutch State on 3 October 2008. NL Financial Investments, the majority shareholder of ABN AMRO, co-signed this agreement on behalf of the Dutch State.

The settlement will lead to a one-off cash payment by ABN AMRO to Ageas of EUR 400 million at the latest on 5/7/2012. This settlement will be recorded in the second quarter of 2012 and will impact IFRS equity (more specifically the share premium reserve), resulting in an increase in Core Tier 1 capital of EUR 1.6 billion and a decrease in Tier 1 and Total Capital of EUR 150 million.

Until today, the EUR 2.0 billion liability resulting from the MCS was retained in the balance sheet and of the total amount EUR 1.75 billion continued to qualify as Tier 1 capital. Following the settlement, Core Tier 1 Capital will increase with EUR 1.6 billion being the sum of the EUR 2.0 billion liability and the settlement amount paid by ABN AMRO to Ageas of EUR 400 million. In addition, Tier 1 and Total Capital will decrease with EUR 150 million. As a result of this settlement ABN AMRO's pro-forma Core Tier 1 ratio will increase by approximately 130 bps and the pro-forma Tier 1 and total capital ratio will decrease by approximately 10 bps (all figures based on 31 March 2012 RWA and capital position). The pro-forma impact of the settlement on ABN AMRO's capital ratios is shown in the table below.

Gerrit Zalm, Chairman of ABN AMRO Group comments: *"We have always been open for a settlement in this matter. We are glad to now be able to put these complex legal issues behind us as we move towards the completion of our integration process. Furthermore, this settlement will have a positive effect on our Core Tier 1 capital (ratio)."*

The preference shares of AACF and the MCS were issued in 1999 and 2007 respectively by entities that belonged to the former Fortis group. Following the break-up of the former Fortis group there was no agreement on whether and/or how to share the cost of conversion of these instruments among the entities involved. On 29 June 2009 Ageas made a EUR 362.5 million cash payment for disputes relating to AACF and on 7 December 2010 Ageas converted the MCS into Ageas shares. Ageas initiated two legal proceedings in the Netherlands regarding these disagreements. This settlement now discontinues these legal proceedings.

## Regulatory capital Basel II

<i>(in millions)</i>	<i>31 Mar 2012</i>	<i>Pro-forma 31 Mar 2012 Impact settlement</i>
<b>Core Tier 1 capital</b>	<b>12,861</b>	<b>14,461</b>
(Non-) Innovative Capital Instruments	2,744	994
<b>Tier 1 Capital</b>	<b>15,605</b>	<b>15,455</b>
Sub-Debt (Tier 2)	4,799	4,799
Other	- 415	- 415
<b>Total Capital</b>	<b>19,989</b>	<b>19,839</b>
<b>Risk-Weighted Assets</b>	<b>121,084</b>	<b>121,084</b>
<b>Core Tier 1 ratio</b>	<b>10.6%</b>	<b>11.9%</b>
<b>Tier 1 ratio</b>	<b>12.9%</b>	<b>12.8%</b>
<b>Total Capital ratio</b>	<b>16.5%</b>	<b>16.4%</b>

*Note: Core Tier 1 ratio is defined as Tier 1 capital excluding all hybrid capital instruments divided by RWA*

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## Cautionary statement on forward-looking statements

We have included in this press release, and from time to time may make certain statements in our public filings, press releases or other public statements that may constitute “forward-looking statements” within the meaning of the safe harbour provisions of the United States Private Securities Litigation Reform Act of 1995. This includes, without limitation, such statements that include the words ‘expect’, ‘estimate’, ‘project’, ‘anticipate’, ‘should’, ‘intend’, ‘plan’, ‘probability’, ‘risk’, ‘Value-at-Risk (“VaR”)', ‘target’, ‘goal’, ‘objective’, ‘will’, ‘endeavour’, ‘outlook’, ‘optimistic’, ‘prospects’ and similar expressions or variations on such expressions.

In particular, this document includes forward-looking statements relating, but not limited, to ABN AMRO Group’s potential exposures to various types of market risk, such as counterparty risk, interest rate risk, foreign exchange rate risk and commodity and equity price risk. Such statements are subject to risks and uncertainties. These forward-looking statements are not historical facts and represent only ABN AMRO Group’s beliefs regarding future events, many of which, by their nature, are inherently uncertain and beyond our control.

Other factors that could cause actual results to differ materially from those anticipated by the forward-looking statements contained in this document include, but are not limited to:

- the extent and nature of future developments and continued volatility in the credit markets and their impact on the financial industry in general and ABN AMRO Group in particular;
- the effect on ABN AMRO Group’s capital of write-downs in respect of credit exposures;
- risks related to ABN AMRO Group’s merger, separation and integration process;
- general economic conditions in the Netherlands and in other countries in which ABN AMRO Group has significant business activities or investments, including the impact of recessionary economic conditions on ABN AMRO Group’s revenues, liquidity and balance sheet;
- actions taken by governments and their agencies to support individual banks and the banking system;
- monetary and interest rate policies of the European Central Bank and G-20 central banks;
- inflation or deflation;
- unanticipated turbulence in interest rates, foreign currency exchange rates, commodity prices and equity prices;
- potential losses associated with an increase in the level of substandard loans or non-performance by counterparties to other types of financial instruments;
- changes in Dutch and foreign laws, regulations and taxes;
- changes in competition and pricing environments;
- inability to hedge certain risks economically;
- adequacy of loss reserves;
- technological changes;
- changes in consumer spending, investment and saving habits; and
- the success of ABN AMRO Group in managing the risks involved in the foregoing.

The forward-looking statements made in this press release are only applicable as at the date of publication of this document. ABN AMRO Group does not intend to publicly update or revise these forward-looking statements to reflect events or circumstances after the date of this report, and ABN AMRO Group does not assume any responsibility to do so. The reader should, however, take into account any further disclosures of a forward-looking nature that ABN AMRO Group may make in ABN AMRO Group’s reports.