ABN·AMRO

IR / Press Release

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Trading update:

- **The net profit of ABN AMRO Bank in the first quarter of 2010 amounted to EUR 178 million, mainly due to low loan impairments and improved revenues; excluding separation and integration costs, net profit would have been EUR 229 million**
- **At 31 March 2010, Tier 1 capital ratio and total capital ratio of ABN AMRO Bank was 10.9% and 15.3% respectively (Basel I, transitional regime until separation on 1 April 2010)**
- **The net profit of Fortis Bank Nederland in the first quarter of 2010 amounted to EUR 73 million, as a result of improved revenues and modest loan impairments; excluding separation and integration costs, net profit would have been EUR 85 million**
- **At 31 March 2010, Tier 1 capital ratio and total capital ratio of Fortis Bank Nederland was 12.3% and 16.3% respectively (reported Basel II ratios including transitional floor)**
- **ABN AMRO Bank and Fortis Bank Nederland have made further progress on the preparations for the integration and intend to legally merge in the third quarter of 2010**

Gerrit Zalm, Chairman of ABN AMRO, Fortis Bank Nederland and ABN AMRO Group comments:

"This is the first time that the results of both ABN AMRO Bank and Fortis Bank Nederland have been published at the same time. The transfer of ABN AMRO Bank and Fortis Bank Nederland to ABN AMRO Group on 1 April 2010 marks the start of a new era for the two banks. ABN AMRO Bank and Fortis Bank Nederland intend to legally merge in the third quarter of this year and the majority of the activities will operate under one brand, ABN AMRO, as of that date.

Preliminary signs of a recovery of the Dutch economy are reflected in the first quarter results of both banks, resulting in a significantly improved performance year-on-year. The net result of ABN AMRO Bank increased from EUR 87 million to EUR 178 million and the net result of Fortis Bank Nederland improved from a loss of EUR 6 million to a net profit of EUR 73 million. This is the result of good revenue growth and low impairments, combined with continued cost management. This progress was achieved despite higher funding costs and additional separation and integration costs.

The second quarter results of both banks will be significantly impacted by the loss that will be recorded as a result of the closing of the EC remedy of between EUR 800 - 900 million (net-of-tax) and restructuring provisions of approximately EUR 475 million (pre-tax). In addition, we expect loan impairments to be higher compared with the very low levels seen in the first quarter.

Going forward, ABN AMRO Group will give an update on a quarterly basis on our main developments."

This trading update contains the pro forma figures of ABN AMRO Bank N.V. (ABN AMRO Bank) and Fortis Bank (Nederland) N.V. (Fortis Bank Nederland). Both banks were transferred to ABN AMRO Group N.V. (ABN AMRO Group) on 1 April 2010. This press release as well as the figures included, have not been subject to an audit or review.

As the harmonisation of accounting policies and classifications has not been finalised yet, the figures of ABN AMRO Bank and Fortis Bank Nederland are subject to change upon finalisation of a common set of accounting policies and classifications later this year.

Pro forma figures ABN AMRO Bank

The results of ABN AMRO Bank comprise the businesses of ABN AMRO that were acquired by the State of the Netherlands (Dutch State). In 2009 these businesses were part of ABN AMRO Holding N.V. and its consolidated entities (renamed to RBS Holdings N.V. on 1 April 2010). The businesses of ABN AMRO Bank consist of the Dutch retail and commercial banking activities and the private banking activities (including the international diamond business) in the Netherlands and abroad.

The ABN AMRO Bank figures have been prepared as if all Dutch State acquired businesses that have become part of ABN AMRO Bank before the legal separation on 1 April 2010 through legal demerger or alternative transfer or that will be transferred to ABN AMRO Bank as soon as possible, were already transferred to ABN AMRO Bank and its consolidated subsidiaries as of 1 January 2009. Hence these results are pro forma.

The figures of ABN AMRO Bank include the results of NEW HBU II N.V. (NEW HBU II) and IFN Finance B.V. (IFN Finance) (referred to hereafter as ‘EC Remedy’) as these entities were only sold as per 1 April 2010.

The figures of ABN AMRO Bank exclude the Dutch State’s interest in the so-called ‘Shared Assets’ included in the RBS Holdings group N.V. (the former ABN AMRO Holding N.V.), which are directly held by the Dutch State.

Figures Fortis Bank Nederland

Fortis Bank Nederland is active in retail, commercial and merchant banking, as well as private banking (operating under the MeesPierson brand). Fortis Bank Nederland is present in the Netherlands and selectively abroad with specific world-wide niches such as Brokerage, Clearing & Custody (BCC), Energy, Commodities & Transportation (ECT) and Fortis Commercial Finance (factoring). The 2009 figures for Fortis Bank Nederland include the results from operations from Intertrust, which was sold at the end of 2009.

Income statement for the first quarter 2010

In millions of euros	ABN AMRO Bank *		Fortis Bank Nederland	
	Q1 2010	**Q1 2009**	**Q1 2010**	**Q1 2009**
Operating income	1,296	1,241	575	482
Operating expenses	981	863	430	433
Operating result	315	378	145	49
Loan impairments and other credit risk provisions	45	252	45	62
Operating profit/(loss) before taxes	270	126	100	-13
Tax	92	39	27	-7
Net result	178	87	73	-6
Cost / income ratio	75.7%	69.5%	74.8%	89.8%

The harmonisation of accounting policies and classifications between ABN AMRO Bank and Fortis Bank Nederland has not been finalised yet. The figures are subject to change upon finalisation of a common set of accounting policies and classifications later this year

** The results of ABN AMRO Bank are pro forma (see page 2) and the figures in this trading update exclude the private equity consolidation effect and are therefore a non-GAAP measure.*

Notes to the income statement:

Operating income

Operating income of **ABN AMRO Bank** increased by 4% year-on-year as a 9% increase in net interest income was partly offset by a 4% decrease in non-interest income.

Net interest income increased as a result of a strong increase in savings volumes at higher margins compared with the same period last year. As confidence in ABN AMRO Bank further improved in 2009, retail savings volumes especially increased throughout 2009 and in the first quarter of 2010. Mortgage volumes saw a small increase as well at higher margins. The increase in net interest income was partly offset by the interest payments to the Dutch State on the three Mandatory Convertible Securities issued in the second half of 2009.

Non-interest income was impacted by the fees for the credit protection bought from the Dutch State on a EUR 34.5 billion portfolio of own originated residential mortgages, whereas the first quarter of 2009 included a gain on the sale of part of the investment portfolio.

Operating income of **Fortis Bank Nederland** increased by 19% year-on-year as a result of a 7% increase in net interest income and a 42% increase in non-interest income. Excluding the divested activities of Intertrust (sold in the fourth quarter of 2009), operating income would have increased by 27%.

Net interest income rose due to higher deposits at on average slightly higher margins. Savings volumes are now higher than the first quarter of 2009. In addition, both the mortgage portfolio as well as the commercial loan portfolio benefited from improving margins. These increases were partly offset by higher funding costs.

Non-interest income increased significantly due to lower negative hedging results compared to the same period last year. In the first quarter of 2009, the private equity activities recorded a large negative revaluation of its investments (held at fair value).

Operating expenses

Operating expenses of **ABN AMRO Bank** increased by 14% year-on-year due to significantly higher separation and integration costs as well as an addition to the legal provision in the first quarter of 2010. Excluding these items in both quarters, operating expenses were slightly lower.

Operating expenses of **Fortis Bank Nederland** decreased by 1% year-on-year, despite a EUR 11 million increase in separation and integration costs. Excluding separation and integration costs in both quarters, and the divested activities of Intertrust, operating expenses would have increased by 4%. This is predominantly the result of an increase in staff expenses on the back of higher pension costs and the repurchase of Fortis Clearing Americas in the second half of 2009.

Loan impairments

Loan impairments of **ABN AMRO Bank** decreased by 82% (or EUR 207 million). This was mainly due to lower impairments for the commercial banking portfolio and no specific provisions in the private banking portfolio.

Loan impairments of **Fortis Bank Nederland** decreased by 27% (or EUR 17 million).

Net result

The net result of **ABN AMRO Bank** more than doubled to EUR 178 million. Excluding separation and integration costs in both quarters, the net result would have improved from EUR 105 million to EUR 229 million.

The net result of **Fortis Bank Nederland** increased by EUR 79 million to a profit of EUR 73 million. Excluding separation and integration costs in both quarters, the net result would have increased from a loss of EUR 2 million to a profit of EUR 85 million.

Cost/income ratio

The cost/income ratio of **ABN AMRO Bank** increased to 75.7%. Excluding separation and integration costs in both quarters, the cost/income ratio increased from 67.6% to 70.4% mainly due to the abovementioned addition to legal provision. Excluding all three items, costs were lower and the cost/income ratio improved from 67.6% to 65.3%.

The cost/income ratio of **Fortis Bank Nederland** decreased to 74.8%. Excluding separation and integration costs in both quarters, the cost/income ratio improved from 88.8% to 72.0% as a result of a significant increase in revenues combined with a limited increase in costs.

in EUR	ABN AMRO Bank *		Fortis Bank Nederland **	
	March 2010	**December 2009**	**March 2010**	**December 2009**
Risk Weighted Assets	78.9 bn	75.0 bn	55.6 bn	53.8 bn
Tier 1 ratio	10.9%	10.2%	12.3%	12.5%
Total capital ratio	15.3%	14.8%	16.3%	16.7%
Loan book	151.1 bn	149.2 bn	127.3bn	125.3 bn
Total balance sheet	203.3 bn	202.0 bn	202.3 bn	189.9 bn

** Under Basel I, as agreed with the Dutch Central Bank during the transitional period until separation; all figures are pro forma (see page 2*
*** Under Basel II, applying a 80% transitional floor*

Risk Weighted Assets

The increase in risk weighted assets (RWA) of **ABN AMRO Bank** (under Basel I, as set by the Dutch Central Bank during the transitional period until separation) mainly reflects the growth of the loan book in the first quarter.

The increase in RWA of **Fortis Bank Nederland** under reported Basel II (applying an 80% transitional floor) is due to the buyback and a call of two securitisation notes.

Capital ratios

ABN AMRO Bank continued to exceed the minimum Tier 1 target ratio and the total capital target ratio at the end of the first quarter of 2010 (under Basel I, as agreed with the Dutch Central Bank during the transitional period until separation). The increase in the Tier 1 ratio and total capital ratio is the result of the eligibility of an EUR 833 million Mandatory Convertible Security (MCS) issued to the Dutch State in December 2009 for regulatory capital. The MCS could not be classified as regulatory capital at year-end 2009.

At the end of the first quarter of 2010, **Fortis Bank Nederland** also continued to exceed the minimum Tier 1 target ratio and the total capital target ratio as set by the Dutch Central Bank. The decrease in Fortis Bank Nederland's Tier 1 ratio and total capital ratio under reported Basel II (the current regime, applying an 80% transitional floor) was limited and relates mainly to the increase in RWA caused by the redemption/buyback and a call of two Residential Mortgage Backed Securities (RMBS) notes.

Loan book

Loans and receivables (excluding banks) of **ABN AMRO Bank** (due from customers) grew by EUR 1.9 billion or 1.2% compared with the end of 2009 as a result of growth in the mortgage book and the commercial loan portfolio.

Loans and receivables (excluding banks) of **Fortis Bank Nederland** increased by EUR 2.0 billion or 1.5% compared to the end of 2009 mainly due to a volume increase in commercial loans.

Total balance sheet

The total balance sheet of **ABN AMRO Bank** remained almost unchanged.

The total Balance Sheet of **Fortis Bank Nederland** increased by EUR 12.4 billion as Fortis Bank Nederland was successful in attracting additional funding in the market to improve its liquidity position.

Government and government-guaranteed debt exposures

Both ABN AMRO Bank and Fortis Bank Nederland have debt exposures to European governments and government-related entities. These exposures include debt issued by central governments and local governments and debt which is guaranteed by a central government. The exposures reported are part of the loan book and the investment portfolio managed by Asset & Liability Management. Please find below an overview of the major government and government-guaranteed debt exposures as per 30 April 2010.

ABN AMRO Bank	*in EUR bn*	**Fortis Bank Nederland**	*in EUR bn*
Netherlands *	14.2	Netherlands *	15.7
France	3.0	France	0.5
Germany	2.7	Germany	0.4
Italy	1.8	Belgium	0.4
Greece	1.5	Spain	0.2
Austria	0.7	Austria	0.2
Ireland	0.5	Italy	0
Belgium	0.4	Greece	0
Poland	0.3	Ireland	0
Portugal	0.3	Portugal	0
Spain	0.2	Poland	0
Total	**25.6**	**Total**	**17.4**

** The figures for the Netherlands exclude bank loans which are Dutch State guaranteed*

The exposure of ABN AMRO Bank to Greece was allocated to ABN AMRO Bank during the separation process. Most of these exposures are to Greek transport companies backed by a government guarantee. As per 30 April 2010, no impairment was recorded on the Greek debt exposure.

Post balance sheet events

UPDATE ON INTEGRATION

Transfers to ABN AMRO Group
On 6 February 2010, ABN AMRO successfully demerged the majority of the Dutch State acquired businesses from the RBS acquired businesses into ABN AMRO Bank. Effective at the same date, the former ABN AMRO Bank N.V. (prior to legal demerger) was renamed The Royal Bank of Scotland N.V. (RBS N.V.). Some subsidiaries and assets and liabilities were separately transferred to the new ABN AMRO Bank ahead of the execution of the legal demerger. Furthermore, some assets and liabilities are separately transferred to the new ABN AMRO Bank after the execution of the legal demerger. RBS N.V. and ABN AMRO Bank remained wholly owned by ABN AMRO Holding until 1 April 2010 when ABN AMRO Bank was legally transferred out of ABN AMRO Holding to a new holding company, ABN AMRO Group N.V.

As of 1 April 2010, this new holding company, which is a wholly owned by the Dutch State, also holds the State's shareholding in Fortis Bank Nederland. Both banks are subsidiaries of the same parent company and will continue to operate as separately capitalised and regulated banks under the supervision of the Dutch Central Bank until the legal merger. The legal merger is expected to be effectuated in the third quarter of 2010. The Managing Boards and Supervisory Boards of the holding company and the two banks have consisted of the same members since 1 April 2010.

Capital
In 2009 several capital actions were taken to ensure that ABN AMRO Bank was adequately capitalised upon legal separation. Three Mandatory Convertible Tier 1 Securities were issued by ABN AMRO Bank, totalling EUR 2.6 billion. Conversion of these Mandatory Convertible Securities on 1 April following legal separation resulted in an increase in shareholder equity of ABN AMRO Bank in the amount of EUR 2.7 billion (including accrued interest of EUR 98 million). Following the separation from RBS on 1 April 2010, ABN AMRO Bank has become Basel II compliant.

EC Remedy
ABN AMRO Bank and Deutsche Bank signed the Share Purchase Agreement confirming the agreements reached on the sale of NEW HBU II N.V. (NEW HBU II) and IFN Finance B.V. (IFN Finance) on 23 December 2009. The EC remedy consists of part of the Dutch commercial clients' activities and selected regional branch offices and IFN Nederland B.V. that needs to be disposed of to comply with the European Commission's requirements for competition and to thus enable the integration of ABN AMRO Bank and Fortis Bank Nederland. The sale price agreed upon for the EC Remedy, including a guarantee providing for 75% of the credit losses ('credit umbrella') and an amount for other liabilities and costs, is EUR 700 million.

The closing of the EC Remedy transaction took place on 1 April 2010. The sale is expected to have a negative impact of between EUR 800 and EUR 900 million (net-of-tax) on results. The total loss on the transaction includes a provision for the credit umbrella. ABN AMRO Bank will account for this loss in the second quarter of 2010.

Restructuring provision
The legal merger is expected to occur in the third quarter. Preparations for the integration already started in 2009 and resulted, amongst other things in the twinning of several branches in the second quarter of 2010. As of the date of legal merger businesses of ABN AMRO Bank and Fortis Bank Nederland will start to integrate fully. The Retail businesses will be the first businesses to integrate. As this will result in a reduction of staff, it is expected that a restructuring provision will be recorded in the second quarter of 2010. It is currently estimated that this provision will be approximately EUR 475 million.

End of period creditor objection
Today, ABN AMRO Group announces that the creditor objection period concerning the proposed merger of ABN AMRO and Fortis Bank Nederland was successfully completed. The Amsterdam District Court has confirmed on 19 May 2010 that no objections were filed.

During a one-month period creditors were able to file objections against the proposed merger at the Amsterdam District Court. The law offers this option as part of the merger process. Earlier (on 30 October 2009) ABN AMRO also completed the creditor objection period concerning the legal demerger. No objections were filed in this period either.

The fact that no objections have been filed marks an important step in the merger process of ABN AMRO and Fortis Bank Nederland.

OTHER

EC decision on call-option to early redeem a subordinated note
On 14 May 2010, Fortis Bank Nederland announced that the European Commission (EC) had denied Fortis Bank Nederland to early redeem EUR 500 million of lower tier 2 subordinated floating rate notes due 2015 (ISIN X0221514879) with call date 22 June 2010.

As Fortis Bank Nederland, just as ABN AMRO, is a bank subject to state aid investigation, it is therefore required – similar to other financial institutions involved in state aid proceedings – to consult the EC in order to early redeem capital instruments prior to legal maturity. The EC determined that this request to early redeem this lower Tier 2 instrument cannot be reconciled with state aid rules.

Sale of Prime Fund Solutions
On 10 May 2010, Fortis Bank Nederland announced that an agreement on the sale of Prime Fund Solutions (PFS) to Credit Suisse was signed. In December 2009, Fortis Bank Nederland entered into exclusive negotiations on the sale of PFS. Closing of the transaction is subject to satisfaction of the closing conditions. It is anticipated that closing of the transaction will occur before the end of 2010. No significant impact on results and capital position is expected.

AMEND DISCLAIMER

This press release does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, securities to any person in the Netherlands, Australia, Canada, Japan or the United States or in any jurisdiction to whom or in which such offer or solicitation is unlawful.

The information contained herein is not for release, publication or distribution in or into Australia, Canada, Japan or the United States.

The financial results of ABN AMRO Bank and Fortis Bank Nederland included in this press release do not include all the information and disclosures required in annual financial statements. This press release should be read in conjunction with the audited financial statements as part of the ABN AMRO Bank Annual Review as at 31 December 2009 and the Annual Report 2009 of ABN AMRO Holding N.V. and the Annual Report 2009 of Fortis Bank Nederland, which have been prepared in accordance with 'International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board and IFRS as adopted by the European Union. In preparing the financial information included in this press release, the same accounting policies and methods of computation are followed as were applied in the preparation of each of the ABN AMRO Bank and Fortis Bank Nederland financial statements for the year ended 31 December 2009. All amounts in this press release are unaudited.

Cautionary statement on forward-looking statements

This press release includes forward-looking statements relating, but not limited, to ABN AMRO Bank's and Fortis Bank Nederland's potential exposures to various types of market risks, 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 Bank's and Fortis Bank Nederland's beliefs regarding future events, many of which, by their nature, are inherently uncertain and beyond the control of each of ABN AMRO Bank and Fortis Bank Nederland.

Other factors that could cause actual results to differ materially from those estimated by the forward looking statements contained in this press release 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 Bank and Fortis Bank Nederland in particular;
- the effect on capital of ABN AMRO Bank and Fortis Bank Nederland of write downs in respect of credit exposures;
- risks related to ABN AMRO Bank's transition and separation process and the legal merger and integration process of ABN AMRO Bank and Fortis Bank Nederland following the acquisition of both banks by the Dutch State;
- general economic conditions in the Netherlands and in other countries in which ABN AMRO Bank and Fortis Bank Nederland have significant business activities or investments, including the impact of recessionary economic conditions on ABN AMRO Bank's and Fortis Bank Nederland'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-7 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 Bank and Fortis Bank Nederland in managing the risks involved in the foregoing.

These factors should not be regarded as a complete set of all potential risks or uncertainties. ABN AMRO Bank and Fortis Bank Nederland have economic, financial market, credit, legal and other specialists who monitor economic and market conditions and government policies and actions. However, because it is difficult to predict with complete accuracy any changes in economic or market conditions or in governmental policies and actions, it is hard for ABN AMRO Bank and Fortis Bank Nederland to anticipate the effects that such changes could have on ABN AMRO Bank's and Fortis Bank Nederland's financial performance and business operations. Accordingly, you are cautioned not to place undue reliance on forward-looking statements.

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

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