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ABN AMRO BANK N.V.
REGISTRATION DOCUMENT

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1. INTRODUCTION

This document constitutes a registration document ("**Registration Document**") for the purposes of Article 5 of Directive 2003/71/EC (the "**Prospectus Directive**") and has been prepared for the purpose of giving information with respect to ABN AMRO Bank N.V. (the "**Issuer**") which, according to the particular nature of the Issuer and the securities which it may offer to the public within a member state ("**Member State**") of the European Economic Area (the "**EEA**") or apply to have admitted to trading on a regulated market situated or operating within such a Member State, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

The Issuer accepts responsibility for the information contained in this Registration Document. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Registration Document was approved on 11 August 2011 by The Netherlands Authority for the Financial Markets (the "**AFM**") as the competent authority under the Dutch Financial Markets Supervision Act (*Wet of het financieel toezicht*) implementing the Prospectus Directive.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Registration Document, and if given or made, such information must not be relied upon as having been authorised by the Issuer.

This Registration Document should not be considered as a recommendation by the Issuer that any recipient of this Registration Document should purchase securities of the Issuer. Each investor contemplating purchasing any securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This Registration Document does not constitute an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any securities.

The delivery of this Registration Document will not in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Registration Document has been most recently amended or supplemented. Investors will need to make their own investigations and financial calculations on the basis of the financial information incorporated by reference herein in order to make an informed assessment of the future assets and liabilities, financial position, profit and losses and prospects of the Issuer and when deciding whether or not to purchase any financial instruments issued by the Issuer. The Issuer has no obligation to update this Registration Document, except when required by and in accordance with the Prospectus Directive.

This Registration Document does not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Registration Document and the offer or sale of securities may be restricted by law in certain jurisdictions. The Issuer does not represent that this Registration Document may be lawfully distributed, or that any securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any securities or distribution of this Registration Document in any jurisdiction where action for that purpose is required. Accordingly, no securities may be offered or sold, directly or indirectly, and neither this Registration Document nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Registration Document or any securities of the Issuer may come must inform themselves about, and observe, any such restrictions on the distribution of this Registration Document and the offering and sale of such securities.

Any securities to be issued by the Issuer in connection with this Registration Document have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, any such securities may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons.

All references in this document to EUR, euro and € refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, references to Sterling and £ refer to pounds sterling and references to U.S. Dollars and \$ refer to United States dollars.

2. RISK FACTORS

Set out below are risk factors which could affect the future financial performance of the Issuer and the Group and thereby potentially affect the Issuer's ability to fulfil its obligations in respect of securities issued or guaranteed by it. The factors discussed below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties the Issuer and the Group face. The Issuer has described only those risks relating to its operations of which it is aware and that it considers to be material. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware and any of these risks could have effects set forth above.

Throughout this section the Issuer is used as a reference to the Issuer and its consolidated subsidiaries and other group companies (including ABN AMRO Group N.V.).

1. Conditions in the global financial markets and economy have yet to normalise and may materially adversely affect the Issuer's business and profitability

The outlook for the global economy over the near to medium term remains challenging as the global financial system has yet to fully normalise. Results of operations in the past have been, and in the future may continue to be, materially affected by many factors of a global nature, including political, economic and market conditions; changes in consumer spending, investment and saving habits; monetary and interest rate policies of the European Central Bank ("**ECB**") and G7 central banks; the availability and cost of capital; the liquidity of global markets; the level and volatility of equity prices, commodity prices and interest rates; currency values and other market indices; technological changes and events; the availability and cost of credit; inflation or deflation; the stability and solvency of states, financial institutions and other companies; natural disasters; acts of war or terrorism; investor sentiment and confidence in the financial markets; or a combination of these or other factors.

Since mid-2008, a host of government actions have been implemented in response to the financial crisis and the recession. Also the ECB, the European Union ("**EU**") and the International Monetary Fund have announced and implemented a package of measures in response to disruption in the European debt markets. Some government and central bank programs have already expired and other support programs are expected to be wound down. The timing and the impact of the wind-down of these programs on the financial sector and on the nascent economic recovery is unknown. As government and other support schemes are cancelled, changed or withdrawn, there is a possibility that the Issuer, in common with other financial institutions, may have insufficient access to, or incur higher costs associated with, funding alternatives, which could have a material adverse effect on the Issuer's business, financial position, results of operations and prospects. In addition, a stall in the economic recovery or continuation or worsening of current financial market conditions, including the debt related problems of certain EU member states in the eurozone, could exacerbate these effects.

Any of the above factors may materially adversely affect the Issuer's financial position and results of operations.

2. Securities market volatility, liquidity disruptions or market dislocations can adversely affect the Issuer's banking activities

The securities markets have been experiencing a sustained period of high volatility, severe market dislocations and liquidity disruptions. Also, the level and volatility in financial markets can negatively affect the Issuer's merchant banking, securities trading and brokerage activities. Volatility and declines in financial markets can reduce unrealized gains in the Issuer's various portfolios or the demand for some of the Issuer's banking products.

Since the start of the financial crisis in 2007, both the debt and the equity securities markets have been very volatile. Under these extreme conditions, hedging and other risk management strategies may not be as effective at mitigating trading risks as they would be under more normal market conditions. There is no assurance that such volatility will not result in a prolonged market decline, or such market declines for other reasons will not occur in the future.

Market declines and periods of high volatility can occur not only as a result of purely economic factors, but also as a result of war, acts of terrorism, natural disasters or other similar events outside the Issuer's control.

Severe market events have historically been difficult to predict, however, and the Issuer could realise significant losses if extreme market events were to persist for an extended period of time. Therefore market volatility, liquidity disruptions, or dislocations could have a material adverse effect on the Issuer's financial position and results of operations.

3. Changes in interest rates and foreign exchange rates may adversely affect the Issuer's results

Fluctuations in interest rates and foreign exchange rates influence the Issuer's performance. The results of the Issuer's banking operations are affected by the Issuer's management of interest rate and foreign exchange rate sensitivity. Interest rate sensitivity refers to the relationship between changes in market interest rates and changes in net interest income. If the yield on the Issuer's interest-earning assets does not increase at the same time or to the same extent as its cost of funds, or if its cost of funds does not decline at the same time or to the same extent as the decrease in yield on its interest-earning assets, the Issuer's net interest income and net interest margin may be adversely impacted. This could have a material adverse effect on the financial position of the Issuer's business or results from operations and cash flows.

In addition, the Issuer publishes the Issuer's consolidated financial statements in euros. Fluctuations in the foreign exchange rates used to translate other currencies into euros affect the Issuer's reported consolidated financial position, results of operations and cash flows from year to year.

4. Markets may experience periods of high volatility accompanied by reduced liquidity, which may lead to market risk losses and adversely influence the Issuer's ability to hedge its risks effectively

Market volatility, illiquid market conditions and disruptions in the financial markets remain a risk that can negatively affect the Issuer's results of operations, prospects and financial position, inter alia, through a reduction in demand for products and services, a reduction in the value of assets held by the Issuer, a decline in the profitability of certain assets and a

loss of liquidity in certain asset classes. In addition, financial markets are susceptible to severe events evidenced by rapid depreciation in asset values accompanied by a reduction in asset liquidity.

Periods of high volatility can occur not only as a result of purely economic factors, but also as a result of war, acts of terrorism, natural disasters, or other similar events outside the Issuer's control. Volatility and declines in financial markets can reduce unrealised gains or increase unrealised losses in the Issuer's various portfolios. Under extreme conditions, hedging and other risk management strategies may not be as effective at mitigating trading risks as they would be under more normal market conditions. Moreover, under these conditions market participants are particularly exposed to trading strategies employed by many market participants simultaneously and on a large scale. The Issuer's risk management and monitoring processes seek to quantify and mitigate risk to more extreme market moves. Severe market events have historically been difficult to predict, however, and the Issuer could realise significant losses if extreme market events were to persist for an extended period of time.

5. Lack of liquidity is a risk to the Issuer's business and its ability to access sources of liquidity

Liquidity risk is the risk that the Issuer will be unable to meet its obligations, including funding commitments, as they fall due. This risk is inherent in banking operations and can be heightened by a number of enterprise specific factors, including an over-reliance on a particular source of funding (including, for example, short-term and overnight funding), changes in credit ratings or market-wide phenomena such as market dislocation and major disasters.

In addition, there is also a risk that corporate and institutional counterparties with credit exposures may look to reduce all credit exposures to banks, given current risk aversion trends. It is possible that credit market dislocation becomes so severe that overnight funding from non-government sources ceases to be available.

Like many banking groups, the Issuer relies on customer deposits to meet a considerable portion of its funding. However, such deposits are subject to fluctuation due to certain factors, such as a loss of confidence, increasing competitive pressures or the encouraged or mandated repatriation of deposits by foreign wholesale or central bank depositors, which could result in a significant outflow of deposits within a short period of time. An inability to grow, or any material decrease in, the Issuer's deposits could, particularly if accompanied by one of the other factors described above, have a negative impact on the Issuer's ability to satisfy its liquidity needs unless corresponding actions were taken to improve the liquidity profile of other deposits or to reduce assets.

In periods of liquidity stress the Issuer, in line with other financial institutions, may need to seek funds from alternative sources, potentially at higher costs of funding than has previously been the case.

In addition, the funding of the Issuer may be hindered by market circumstances. The ability of the Issuer to fund its operations is strongly dependent on market factors and market

developments. The risk exists that market circumstances may limit a further lengthening of the funding profile of the Issuer.

Any of the above factors may materially adversely affect the Issuer's financial position and results of operations.

6. Reductions in the Issuer's credit ratings could have a significant impact on the bank's funding and liquidity through reduced funding capacity and collateral triggers as well as adversely affect the Issuer's business operations

Rating agencies assess the creditworthiness of the Issuer and assign a rating to the Issuer and some of the financial instruments it has issued. This information is available to investors and clients of the Issuer. There can be no assurance that a credit rating agency that has assigned a credit rating to the Issuer or any securities of the Issuer will not downgrade any such credit rating or change the outlook on any such credit rating.

Any downgrade or potential downgrade in the Issuer's ratings may increase its borrowing costs, require the Issuer to replace funding lost due to the (potential) downgrade (e.g. customer deposits), limit the Issuer's access to capital and money markets and trigger additional collateral requirements in derivatives contracts and other secured funding arrangements. In addition, a rating downgrade or potential downgrade of the Issuer could, among other things, limit the Issuer's opportunities to operate in certain business lines and adversely affect certain other business activities.

As a result, any reductions in the Issuer's credit ratings could have a negative impact on the Issuer's earnings, profitability, financial position, ability to raise funding and competitive position.

7. The financial services industry is subject to intensive regulation. Major changes in regulation and other laws and the enforcement actions could adversely affect the Issuer's business

The Issuer conducts its businesses subject to financial services laws and regulations, as well as other laws and regulations (including behavioural requirements), rules, corporate governance requirements and administrative actions and policies in each location in which it operates. DNB and other regulators in various jurisdictions may impose further restrictions and conditions to the Issuer. The timing and form of future changes in any laws, regulations or other rules, requirements, actions and policies or in the interpretation thereof, are unpredictable and beyond the Issuer's control, and changes made could materially adversely affect the Issuer's business, the products and services the Issuer offers or the value of its assets or extent of its liabilities.

Any changes in the tax laws of jurisdictions in which the Issuer operates which affect its products, could have a material adverse effect on its banking or other businesses and results of operations and financial position. This includes a possible bank tax levied by the Dutch State, and a change in the financing of compensations under the Dutch Deposit Guarantee Scheme (*Depositogarantiestelsel*) from ex post to ex ante.

Since 2009, as many emergency government programs slowed or wound down, global regulatory and legislative focus generally moved to a second phase of broader reform and a restructuring of financial institution regulation. Legislators and regulators, both in Europe and the United States, are currently introducing a wide range of proposals that, if enacted, could result in major changes to the way the Issuer's global operations are regulated. Some of these major changes could materially impact the profitability of the Issuer's businesses, the value of its assets or the collateral available for its loans, require changes to business practices or force the Issuer to discontinue businesses and expose the Issuer to additional costs, taxes, liabilities, enforcement actions and reputational risk.

As a financial company, certain reform proposals under consideration could result in the Issuer becoming subject to stricter capital requirements and could also affect the scope, coverage, or calculation of capital, all of which could require the Issuer to reduce business levels or to raise capital. Regulatory reform proposals could also result in the imposition of additional restrictions on the Issuer's activities if it were to no longer meet certain capital requirements at the level of the financial holding company. (see also risk factor 8 "*The Issuer's business performance could be adversely affected as a result of ineffective management of its capital and/or liquidity or changes to capital adequacy and liquidity requirements*" below).

On 4 March 2011, the Dutch Ministry of Finance commenced a consultation process in relation to newly proposed banking legislation dealing with ailing banks (the "**Dutch Proposal**"). The Dutch Proposal was preceded by a consultation launched by the European Commission on 6 January 2011 on a comprehensive framework for dealing with ailing banks (the "**EU Proposal**") which contains a number of legislative proposals similar to the Dutch proposal. Under the Dutch Proposal, substantial new powers would be granted to the Dutch Central Bank, (*De Nederlandsche Bank N.V.*, "**DNB**") and the Dutch Minister of Finance enabling them to deal with, *inter alia*, ailing Dutch banks prior to insolvency. The Dutch Proposal aims to empower DNB or the Minister of Finance, as applicable, to commence proceedings leading to: (i) transfer of all or part of the business (including deposits) of the relevant bank to a private sector purchaser; (ii) transfer of all or part of the business of the relevant bank to a "bridge bank"; and (iii) public ownership (nationalization) of the relevant bank. Subject to certain exceptions, as soon as any of these proposed proceedings have been initiated by DNB or the Minister of Finance, as applicable, the relevant counterparties of such bank would not be entitled to invoke events of default or set off their claims against the bank.

The EU proposal includes a discussion of possible proposals to give regulators resolution powers to write down debt of a failing bank (or to convert such debt into equity) to strengthen its financial position and allow it to continue as a going concern subject to appropriate restructuring. The working document states that it is not envisaged to apply any measures ultimately adopted in this area to any debt currently in issue.

It is at this stage uncertain if the Dutch proposal and/or the EU Proposal will be adopted and if so, when and in what form. However, if the Dutch Proposal and/or the EU Proposal were to be adopted in their current form, this could negatively affect the position of certain categories of the Issuer's bondholders and the credit rating attached to certain categories of debts instruments then outstanding, in particular and when any of the above proceedings would be

commenced against the Issuer. These measures could increase the Issuer's cost of funding and thereby have an adverse impact on the Issuer's financial position and results of operation.

The Basel Committee on Banking Supervision (the "**Basel Committee**") has proposed a number of reforms to the regulatory capital framework for internationally active banks, the principal elements of which are set out in its paper released on 16 December 2010 (revised in June 2011) and press release of 13 January 2011 (the "**Basel III Final Recommendations**").

The Basel III Final Recommendations state that, subject to the next paragraph below, the terms and conditions of all non-common equity Tier 1 and Tier 2 instruments must have a provision that requires such instruments, at the option of the relevant authority, to either be written off or converted into ordinary shares upon the occurrence of a specified trigger event (a "**Non-Viability Event**"). A Non-Viability Event will be the earlier of (a) a decision that a write-off, without which the relevant bank would become non-viable, is necessary as determined by the relevant authority; and (b) the decision to make a public sector injection of capital, without which the relevant bank would become non-viable, as determined by the relevant authority.

The 13 January 2011 press release also states that it is not necessary to include in the contractual terms of the instruments a specific provision for write-off or conversion of such instrument upon a Non-Viability Event occurring if (i) the governing jurisdiction of the bank has in place laws that (aa) require such instruments to be written off or converted upon the occurrence of such trigger event, or (bb) otherwise require such instrument to fully absorb losses before tax payers are exposed to loss; (ii) a peer group review confirms that the jurisdiction so conforms; and (iii) it is disclosed by the relevant regulator and by the issuing bank, in issuance documents going forward, that such instruments are subject to loss under (aa) above.

It is possible that upon adoption of the Dutch Proposal or the EU Proposal any new powers which may be given to DNB or another relevant authority could be used in such a way as to result in the subordinated and/or senior debt instruments of the Issuer absorbing losses in the course of any resolution of the issuer. It is also possible that there could be amendments to the Dutch Proposal or the EU Proposal that could result in such subordinated and/or senior debt instruments of the Issuer absorbing losses in the course of any such resolution. The application of any such legislation may affect the rights and effective remedies of holders of subordinated and/or senior debt instruments as well as the market value of such debt instruments. These measures could increase Issuer's cost of funding and thereby have an adverse impact on the Issuer's financial position and result of operation.

Furthermore, there can be no assurance that, prior to the proposed implementation of the Basel III Final Recommendations from 1 January 2013, the Basel Committee will not amend the Basel III Final Recommendations. Further, the European Union and/or authorities in The Netherlands may implement the Basel III Final Recommendations, including the terms which subordinated debt instruments are required to have, in a manner that is different from that which is currently envisaged or may impose more onerous requirements on Dutch banks.

Any of the above factors may materially adversely affect the Issuer's financial position and results of operations.

8. As a result of capital and/or liquidity requirements, the Issuer may not be able to manage its capital and liquidity effectively, which may adversely affect its business performance

Effective management of the Issuer's capital is critical to its ability to operate its businesses, to grow organically and to pursue its strategy of returning to standalone strength. The Issuer is required by regulators in The Netherlands and in other jurisdictions in which it undertakes regulated activities, to maintain adequate capital resources. The maintenance of adequate capital is also necessary for the Issuer's financial flexibility in the face of continuing turbulence and uncertainty in the global economy.

The Capital Requirements Directives ("**CRD**") came into force on 1 January 2007 and was introduced as a supervisory framework in the European Union, designed to ensure the financial soundness of credit institutions. The Directive reflects the Basel II rules on capital measurement and capital standards. Due to changes in the market, the European Commission revised the Capital Requirements Directives ("**CRD II**") in several respects. These changes came into effect with the introduction of CRD II on 1 January 2011.

Further revisions of the Capital Requirements Directives ("**CRD III**") have been adopted during the second half of 2010 by the European Parliament and the European Council. Parts of the CRD III entered into force in January 2011. These relate to the extension of the floors, remuneration principles and several technical adjustments. The changes in the market risk framework and on (re)securitisations will enter into force on 31 December 2011.

The Basel Committee has proposed further changes to the capital and liquidity requirements for banks, in its Basel III Recommendations which – most notably - are intended to increase the quality and quantity of capital, to build up of capital buffers in good times that can be drawn upon in periods of stress, strengthen the risk coverage of the capital framework in relation to derivative positions and to introduce a new liquidity framework and a leverage ratio.

These Basel III Recommendations are being discussed in various European fora and are being proposed as further revisions to the Capital Requirements Directives ("**CRD IV**"). There can be no assurance that, prior to the proposed implementation of the Basel III Final Recommendations from 1 January 2013, the Basel Committee will not amend the Basel III Final Recommendations. Further, the European Union and/or authorities in The Netherlands may implement the Basel III Final Recommendations in a manner that is different from that which is currently envisaged or may impose more onerous requirements on Dutch banks.

If implemented in The Netherlands in its current form, the Basel III Final Recommendations will result in an increase of the minimum common equity (or equivalent) requirement from 2 per cent. (before the application of regulatory adjustments) to 4.5 per cent. (after the application of stricter regulatory adjustments). The total Tier 1 capital requirement will increase from 4 per cent. to 6 per cent. In addition, banks will be required to maintain, in the form of common equity (or equivalent), a capital conservation buffer of 2.5 per cent. to withstand future periods of stress, bringing the total common equity (or equivalent)

requirements to 7 per cent. If there is excess credit growth in any given country resulting in a system-wide build up of risk, a countercyclical buffer within a range of 0 per cent. to 2.5 per cent. of common equity (or other fully loss absorbing capital) is to be applied as an extension of the conservation buffer. In addition, a leverage ratio will be introduced. This ratio is intended to reinforce the risk based requirements with a simple, non-risk based "backstop" measure as well as constrain the build-up of leverage in the banking sector. It restricts the absolute level of indebtedness which a bank may take on, regardless of how much risk is incurred. The proposed leverage ratio expresses equity as a percentage of total assets, which may not fall below 3% effective 2018. The basis of calculation is the average of the monthly leverage ratio over the quarter based on the Basel Committee's definitions of capital (the capital measure) and total exposure (the exposure measure) as specified in the Basel III Final Recommendations.

Furthermore, a liquidity coverage ratio and a net stable funding ratio are proposed. The liquidity coverage ratio is intended to promote resilience to potential liquidity stress scenarios lasting for a 30-day period. The net stable funding ratio is intended to limit over reliance on short-term wholesale funding and has been developed to provide a sustainable maturity structure of assets and liabilities.

The Basel Committee is conducting further work on systemically important financial institutions and contingent capital in close coordination with the Financial Stability Board. The Basel Committee has stated that measures may include capital surcharges, contingent capital and bail-in debt (which could be introduced by statute, possibly impacting existing as well as future issues of debt and exposing them to the risk of conversion into equity and/or write-down of principal amount). Such measures would be in addition to proposals for the write-off of Tier 1 and Tier 2 debt (and its possible conversion into ordinary shares) if a bank becomes non-viable. In July 2011 the Basel Committee published a consultative document setting out a methodology for identifying global systemically important financial institutions with a view to the Financial Stability Board and national authorities determining by mid-to-late 2011 those institutions to which the recommendations for global systemically important financial institutions will initially apply. In addition, the aforementioned consultative document includes a study of how much additional loss absorbency capacity global systemically important financial institutions should have and how much of such capacity could be provided by the various proposed instruments (which according to the Basel Committee in its consultative document should be only Common Equity Tier 1 to meet the minimum proposed global additional loss absorbency requirements).

The changes to capital adequacy and liquidity requirements in the jurisdictions in which it operates described above or any future changes may also require the Issuer to raise additional regulatory capital. If the Issuer is unable to raise the requisite regulatory capital, it may be required to further reduce the amount of its risk-weighted assets and engage in the disposition of core and other non-core businesses, which may not occur on a timely basis or achieve prices which would otherwise be attractive to the Issuer.

The above changes and any other changes that limit the Issuer's ability to manage effectively its balance sheet and capital resources going forward (including, for example, reductions in profits and retained earnings as a result of write-downs or otherwise, increases in risk-weighted assets, delays in the disposal of certain assets or the inability to syndicate

loans as a result of market conditions, a growth in unfunded pension exposures or otherwise) or to access funding sources, could have a material adverse impact on its financial position, regulatory capital position and liquidity provision.

9. The Issuer operates in markets that are highly competitive. If the Issuer is unable to perform effectively, its business and results of operations will be adversely affected

There is substantial competition for the types of banking and other products and services that the Issuer provides in the regions in which the Issuer conducts large portions of its business, especially in The Netherlands. As a result, the Issuer's strategy is to maintain customer loyalty and retention. In other international markets, the Issuer faces competition from the leading domestic and international institutions active in the relevant national and international markets.

Furthermore, the intensity of competition is influenced by many factors beyond the Issuer's control (including consumer demand, the impact of consolidation, technological changes, emerging non-traditional competitors, regulatory action, competitive advantages of certain competitors and many other factors).

Furthermore, government involvement and/or ownership in banks, including in the Issuer, may have an impact on the competitive landscape in the major markets in which the Issuer operates.

Competitive pressures could result in increased pricing pressures on a number of the Issuer's products and services or could result in loss of market share and may harm the Issuer's ability to maintain or increase profitability.

10. The Issuer's businesses are primarily located in The Netherlands

Most of the Issuer's operations and assets are located in The Netherlands. Accordingly, the Issuer is largely dependent upon the prevailing economic conditions in The Netherlands, particularly those which impact the mortgage market. Accordingly, deterioration or long-term persistence of the difficult economic environment in The Netherlands could have a negative effect on the Issuer's results of operations and financial position.

11. The Issuer is subject to significant counterparty risk exposure and exposure to systemic risks which may have an adverse effect on the Issuer's results

The Issuer's businesses are subject to general credit and country risks, including credit risks of borrowers and other counterparties. Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Issuer's businesses. Third parties that owe the Issuer money, securities or other assets may not pay or perform under their obligations. These parties include borrowers (under loans), the issuers whose securities the Issuer holds, customers, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. These parties may default on their obligations to the Issuer due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons. In view of the current global economic outlook, the Issuer may continue to see adverse changes in the credit quality of its

borrowers and counterparties, for example, as a result of their inability to refinance their indebtedness, with increasing delinquencies, defaults and insolvencies across a range of sectors (such as the personal and banking and financial institution sectors) and in a number of geographies. This trend has led to and may continue to lead to further impairment charges, higher costs, additional write-downs and losses for the Issuer.

The financial and/or commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships between the institutions. As a result, concerns about, or a default or threatened default by, one institution could affect the banking system and lead to significant market-wide liquidity problems and financial losses at many financial institutions. It may even lead to further defaults of other financial institutions, which is referred to as "systemic risk". A systemic risk event may also adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, to which the Issuer is exposed.

The above factors may lead to material losses for the Issuer and may have an adverse effect on the Issuer's results.

12. Increases in the Issuer's allowances for loan losses may have an adverse effect on the Issuer's results

The Issuer's banking businesses establish provisions for loan losses, which are reflected in the loan impairment and other credit risk provisions on the Issuer's income statement, in order to maintain the Issuer's allowance for loan losses at a level that is deemed to be appropriate by management based upon an assessment of prior loss experiences, the volume and type of lending being conducted by the Issuer, industry standards, past due loans, economic conditions and other factors related to the collectability of the Issuer's loan portfolio. Although management uses its best efforts to establish the allowances for loan losses, that determination is subject to significant judgment, and the Issuer's banking businesses may have to increase or decrease their allowances for loan losses in the future as a result of increases or decreases in non-performing assets or for other reasons. Any increase in the allowances for loan losses, any loan losses in excess of the previously determined provisions with respect thereto or changes in the estimate of the risk of loss inherent in the portfolio of non-impaired loans could have an adverse effect on the Issuer's results of operations and financial position.

13. The Issuer depends on the accuracy and completeness of information about customers and counterparties

In deciding whether to extend credit or enter into other transactions with customers and counterparties, the Issuer may rely on information furnished to the Issuer by or on behalf of the customers and counterparties, including financial statements and other financial information. The Issuer also may rely on the audit report covering those financial statements. The Issuer's financial position and results of operations could be negatively affected by relying on information which turns out to be materially inaccurate, incomplete or misleading or on financial statements that do not comply with generally accepted accounting principles or that are materially misleading.

14. The Issuer is subject to operational risks that could adversely affect its business

The Issuer, like all financial institutions, is exposed to many types of operational risk, including the risk of fraud or other types of misconduct by employees or third parties, unauthorised transactions by employees and operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems. The Issuer may also be subject to disruptions of the Issuer's operating systems, arising from events that are wholly or partially beyond the Issuer's control (including, for example, computer viruses or electrical or telecommunication outages), which may give rise to losses in service to customers and to loss or liability to the Issuer. The Issuer is further exposed to the risk that external vendors may be unable to fulfil their contractual obligations to the Issuer, and to the risk that their business continuity and data security systems prove to be inadequate. Also, the quality of data available to management may, at times, be insufficient or the data might not be available in a timely fashion. This may cause management to make improper decisions which in turn could influence the Issuer's results of operations or financial position adversely. Furthermore, the Issuer faces the risk that the design of the Issuer's controls and procedures prove to be inadequate or are circumvented. Although the Issuer has implemented risk controls and loss mitigation actions, and substantial resources are devoted to developing efficient procedures, to identify and rectify weaknesses in existing procedures and to train staff, it is not possible to be certain that such actions have been or will be effective in controlling each of the operational risks faced by the Issuer. Any weakness in these systems or controls, or any breaches or alleged breaches of applicable laws or regulations, could have a materially negative impact on the Issuer's business, reputation and results of operations.

15. The Issuer's risk management methods may leave the Issuer exposed to unidentified, unanticipated or incorrectly quantified risks, which could lead to material losses or material increases in liabilities

The Issuer devotes significant resources to developing risk management policies, procedures and assessment methods for the Issuer's banking businesses. The Issuer uses a value-at-risk ("VaR") model, duration analysis and sensitivity analysis as well as other risk assessment methods. Nonetheless, a chance always remains that the Issuer's risk management techniques and strategies may not be fully effective in mitigating the Issuer's risk exposure in all economic market environments or against all types of risk, including risks that the Issuer fails to identify or anticipate. Some of the Issuer's qualitative tools and metrics for managing risk are based upon the use of observed historical market behaviour. The Issuer applies statistical and other tools to these observations to arrive at quantifications of risk exposures. These tools and metrics may fail to predict future risk exposures. The Issuer's losses, thus, could be significantly greater than the Issuer's measures would indicate. In addition, the Issuer's quantified modelling does not take all risks into account. The Issuer's more qualitative approaches to managing risks takes into account a broader set of risks, but is less precise than quantified modelling and could prove insufficient. Unanticipated or incorrectly quantified risk exposures could result in material losses in the Issuer's banking businesses.

16. The Issuer is subject to changes in financial reporting standards

The Issuer is subject to changes in financial reporting standards such as the implementation of IFRS 9 as adopted by the EU which includes revised directions on classification and

measurement of financial assets, impairment of financial assets and hedge accounting. These, and other possible changes to EU IFRS, could materially adversely affect the Issuer's results of operations or financial position.

17. The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgements and estimates that may change over time or may ultimately not turn out to be accurate

The value of certain financial instruments, such as (i) financial instruments classified as 'held-for-trading' or 'designated as at fair value through income', and (ii) financial assets classified as 'available-for-sale' recorded at fair value is determined using financial models incorporating assumptions, judgements and estimates that may change over time or may ultimately not turn out to be accurate. Generally, to establish the fair value of these instruments, the Issuer relies on quoted market prices or, where the market for a financial instrument is not sufficiently active, internal valuation models that utilise observable market data.

In certain circumstances, the data for individual financial instruments or classes of financial instruments utilised by such valuation models may not be available or may become unavailable due to changes in market conditions. In such circumstances, the Issuer's internal valuation models require the Issuer to make assumptions, judgements and estimates to establish fair value. Given the nature of instruments, these internal valuation models are complex, and the assumptions, judgements and estimates the Issuer is required to make often relate to matters that are inherently uncertain, such as expected cash flows, the ability of borrowers to service debt, residential and commercial property price appreciation and depreciation, and relative levels of defaults and deficiencies. Such assumptions, judgements and estimates may need to be updated in the face of changing facts, trends and market conditions. The resulting change in the fair values of the financial instruments has had and may have a material adverse effect on the Issuer's earnings and financial position.

18. The Issuer has obligations under defined benefit pension plans which may lead to additional contributions from the Issuer

The Issuer has in place several pension schemes for its employees, under which it has an obligation to pay contributions for the aggregate pension rights of participants in this pension scheme. Most participants have accrued rights under defined benefit plans within this pension scheme. The emergence of a material shortfall of the pension schemes in relation to the participants' rights may lead to additional contributions from the Issuer being required and could adversely affect the Issuer's financial position, results of operations and prospects.

In addition, the Issuer is subject to potential changes in reporting standards set for pension obligations. For example, the implementation of the changes proposed to International Accounting Standard ("IAS") 19, for instance may lead to the corridor method, which is currently in use, not being allowed, which could materially adversely affect the Issuer's financial position.

19. The Issuer is subject to legal risk, which may have an adverse impact on the Issuer's results

In the ordinary course of business the Issuer is involved in a number of legal proceedings. The Issuer's business is subject to the risk of litigation by customers, borrowers, employees, shareholders or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. It is inherently difficult to predict or quantify the outcome of many of the litigations, regulatory proceedings and other adversarial proceedings involving the Issuer and its businesses. The cost to defend future actions may be significant. There may also be adverse publicity associated with litigation that could decrease customer acceptance of the Issuer's services, regardless of whether the allegations are valid or whether the Issuer is ultimately found liable. (See also risk factor 20 "*Reputational Risk*" below). As a result, litigation may adversely affect the Issuer's business.

In presenting the consolidated financial statements, management may make estimates regarding the outcome of legal, regulatory and arbitration matters and takes a charge to income when losses with respect to such matters are probable and can be reasonably estimated. Changes in estimates may have an adverse effect on the Issuer's results.

20. The Issuer is subject to reputational risk

Reputational risk exists in many forms in all of the Issuer's activities. Examples are the failure or perceived failure to comply with legal and regulatory rules, laws, regulations and other requirements or codes of conduct by the Issuer or its customers, anti-money laundering, bribery or anti-corruption measures, anti-terrorist financing procedures, the quality and transparency of products sold to clients or the conduct of its employees. Strict compliance procedures are in place to minimize this risk, as well as decision-making procedures for new activities and products. In addition the Issuer's reputation could also be harmed as a result of negative external publicity over which the Issuer has no or minimal control. These factors may adversely affect the Issuer's operating results, prospects and financial position.

21. The Issuer's ability to retain and attract qualified employees is critical to the success of its business and the failure to do so may adversely affect the Issuer's performance

Employees are one of the Issuer's most important resources and competition for qualified employees is intense. In order to attract and retain qualified employees, the Issuer seeks to compensate such employees at market levels. Higher compensation costs or the inability to attract and retain qualified employees could affect the Issuer's performance materially adversely.

The financial industry is currently implementing new rules and regulations on remuneration policies such as included in CRD III, the "Code Banken" and the Committee of European Banking Supervisors (CEBS) guidelines on remuneration policies and practices.

The financial industry may experience additional regulation of employee compensation, or employee compensation may be made subject to special taxation, which could have an adverse effect on the Issuer's ability to hire or retain the most qualified employees.

22. The 403 Declaration of ABN AMRO Group N.V. may provide limited economic benefit or recourse to investors

The 403 Declaration constitutes a guarantee by ABN AMRO Group N.V. for, inter alia, debt securities issued by the Issuer. If the Issuer should default, creditors impacted by such default, including holders of the financial instruments issued by the Issuer, may claim against the Issuer and/or ABN AMRO Group N.V. as the guarantor.

However, since ABN AMRO Group N.V. is a holding company with no significant activities of its own, it would have to look at its operating subsidiaries to satisfy a claim brought against it by a holder of a financial instrument issued by the Issuer or any other creditor of the Issuer on the basis of the 403 Declaration. As ABN AMRO Group N.V.'s only direct subsidiary is the Issuer, a holder of a financial instrument issued by the Issuer must be aware that a claim under the 403 Declaration would not result in additional material recourse.

ABN AMRO Group N.V. may revoke the 403 Declaration at any time.

23. The Issuer is subject to additional risk exposure as a consequence of the Legal Demerger, Legal Separation, EC Remedy and Legal Merger that could adversely affect its business

The execution of the Legal Demerger, Legal Separation (including in relation to the EC Remedy) and Legal Merger have created risks for the Issuer's business and stability.

As a result of the Legal Demerger and the Legal Separation, the Issuer and RBS N.V. will remain interdependent with respect to certain business areas, for which they will need to provide certain services to each other during a defined period. Furthermore, as a result of the EC Remedy there are remaining interdependencies between Deutsche Bank Nederland N.V. and the Issuer, including an obligation for the Issuer to continue to provide certain services to Deutsche Bank Nederland N.V. during a defined period. Also, since FBN was part of the former Fortis group until late 2008, there are remaining interdependencies between Fortis Bank SA/NV, ASR Nederland (which was also split off from the former Fortis group as a separate business) and the Issuer with respect to certain services.

In addition, following completion of the Legal Demerger creditors now only have recourse to the entity to which the relevant assets and liabilities have been transferred for payments in respect of the appropriate securities. Under the Dutch Civil Code, however, each of RBS N.V. and the Issuer remains liable to creditors for certain monetary obligations of the other that existed at the date of the Legal Demerger in the event that the other cannot meet such obligations. In each case, this liability relates only to obligations existing at the date of the Legal Demerger and is limited to the amount of equity acquired at the Legal Demerger.

The liability of the Issuer is limited to the amount of equity acquired at the Legal Demerger, which amounts to EUR 1.8 billion. The liability of RBS N.V. is limited to the equity retained at the Legal Demerger, amounting to EUR 4.0 billion.

The Issuer has made arrangements to mitigate the risks of liability to the creditors which transferred to RBS N.V. upon the Legal Demerger. RBS N.V. has also made arrangements to mitigate the risks of liability to the creditors that transferred from RBS N.V. to the Issuer.

Both RBS N.V. and the Issuer hold the level of regulatory capital agreed upon with DNB for purposes of covering any residual risks. There is no assurance that the mitigating arrangements taken by the Issuer are sufficient to satisfy all claims of creditors transferred to RBS N.V.

Also, the integration process of ABN AMRO Bank Standalone with FBN following the Legal Merger could be delayed due to, inter alia, delays in the integration of the operations, activities and/or businesses. Delay in this integration may reduce the anticipated benefits of the integration, impose additional costs or adversely affect the operation of the Issuer.

Prior to the Legal Merger, both FBN and ABN AMRO Bank Standalone reported their capital positions to DNB on a separate basis. Following the Legal Merger the calculation of risk-weighted assets and capital figures has been harmonised. Since the Legal Merger, the Issuer is in the process of harmonising the application of Basel II policies, methodologies and models with respect to regulatory capital and risk weighted assets calculation for the merged bank. Until completion of the harmonisation, the reported Basel II capital ratios will be combined pro forma capital ratios based on consolidated EU IFRS equity. Delay in this harmonisation may impose additional costs, reduce the anticipated benefits of the integration or adversely affect the results of operations or financial position of the Issuer.

In addition, the Issuer is subject to several risks, including financial, liquidity, operational, legal, compliance, and reputational risk as a result of the Legal Demerger, Legal Separation, EC Remedy and Legal Merger. Risks have been identified and managed from the start of these processes and risk tolerance levels have been set. However, risk exposure increases as a result of a demerger, separation or merger process and the Issuer may be exposed to large, unexpected events.

The above factors may have an impact on the execution of the Issuer's strategy and/or materially adversely affect the Issuer's results of operations, prospects and financial position.

24. Termination of Dutch State Ownership of the Issuer

The Dutch State has announced that it does not expect to dispose of its stake ABN AMRO Group N.V. before 2014. While it reserves its options on the form of such disposal, the Dutch State has indicated it favours an initial public offering.

The timing and the form in which any change in the ownership of the Issuer may take is uncertain and may result in increased perception of risk by investors, depositors and customers which could adversely affect the market price of the Issuer's securities and its business, financial position and results of operations.

25. The Issuer may fail to realise the anticipated business growth opportunities, synergies and other benefits anticipated from the Legal Merger and the subsequent integration process, which could result in a material adverse effect on its results of operations, financial position and prospects

There is no assurance that the Legal Merger and the subsequent integration process will achieve the anticipated business growth opportunities, synergies and other potential benefits. The integration of ABN AMRO Bank Standalone with FBN following the Legal

Merger and the realisation of the expected benefits is challenging within the timeframe contemplated. Successful implementation of this plan requires a significant amount of management time and, thus, may affect or impair management's ability to run the Issuer's operations effectively during this period of implementation. In addition, the integration is subject to a number of additional risks, including: difficulties or unexpected costs relating to the integration of technology platforms, financial and accounting systems, risk management systems and management systems of two organizations; difficulties in achieving anticipated cost savings; and the unexpected losses of key personnel during or following the integration of the two businesses.

In addition, there can be no assurance that the total costs associated with the implementation of the integration currently anticipated by the Issuer will not be exceeded.

If any of the above risks should occur, or if there are unexpected challenges in the integration process, this could have an adverse affect on the Issuer's results of operations or financial position.

26. The European Commission has imposed certain conditions on the Issuer that could adversely affect the Issuers' business and results of operations

The European Commission has imposed certain conditions in order to approve the support package and restructuring plan for ABN AMRO Group that restrict the Issuer from conducting certain activities. Examples are a ban on acquisitions, price leadership conditions and other restrictions (see also Section 7.2 European Commission State Aid Investigation). Any of these restrictions could have a negative impact on the Issuer's competitive position. Since the markets in which the Issuer operates are expected to remain highly competitive in all areas, these conditions could adversely affect the Issuer's market share, results of operations, prospects and financial position.

3. INCORPORATION BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Registration Document and have been approved by the AFM or filed with it, shall be deemed to be incorporated in, and to form part of, this Registration Document; this Registration Document should be read and construed in conjunction with such documents:

- (a) the articles of association of the Issuer;
- (b) ABN AMRO Group N.V.'s publicly available audited consolidated annual financial statements for the financial year ended 31 December 2010 (as set out on pages 131 to 137 in relation to the financial statements 2010, including the notes to the financial statements as set out on pages 168 to 257 and pages 62 to 97 (certain information in Chapter 7 (*Risk management*)), the summary of the accounting policies as set out on pages 138 to 167, the auditors' report thereon on pages 258 and 259, and the Section "*Important notes to the reader*" in the inside cover, all as included in ABN AMRO Group N.V.'s Annual Report 2010) (the "**Annual Financial Statements 2010**");
- (c) chapter 7 (*Risk management*) section 7.2 through 7.5, Chapter 8 (*Capital management*) and Chapter 9 (*Funding*) on pages 64 to 112 of ABN AMRO Group N.V.'s Annual Report 2010;
- (d) the Issuer's publicly available unaudited abbreviated financial statements 2010 for the financial year ended 31 December 2010 (including the notes to the financial statements) prepared on the basis of article 2:403 of the Dutch Civil Code (*Burgerlijk Wetboek*); and
- (e) the press release titled "ABN AMRO comfortably passes European stress test 2011" dated 15 July 2011.

Certain information in Chapter 7 sections 7.2 through 7.5 of ABN AMRO Group N.V.'s Annual Report 2010 has been audited. Other disclosures are unaudited and labelled with an asterisk therein. The financial information in Chapters 8 and 9 of ABN AMRO Group N.V.'s Annual Report 2010 incorporated by reference as set out above has not been audited.

The Issuer will provide, without charge, to each person to whom a copy of this Registration Document has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference. Requests for such documents should be directed to the Issuer (at its registered office at: Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands, by telephone: +31 20 6282282 or by e-mail: investorrelations@nl.abnamro.com)

Any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Registration Document to the extent that statements contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Any information or other document themselves incorporated by reference, either expressly or implicitly, in the documents incorporated by reference in this Registration Document shall not form part of this Registration Document, except where such information or other documents are specifically incorporated by reference into this Registration Document.

Any information contained in any of the documents specified above which is not incorporated by reference in this Registration Document is either not relevant to investors or is covered elsewhere in this Registration Document.

4. DEFINITIONS OF IMPORTANT TERMS USED THROUGHOUT THIS REPORT

"**ABN AMRO**" or the "**Group**" refers to ABN AMRO Group N.V. incorporated on 18 December 2009 ("**ABN AMRO Group**") and its consolidated subsidiaries.

"**ABN AMRO Bank**" refers to ABN AMRO Bank N.V. (formerly known as "ABN AMRO II N.V.").

"**ABNAMRO Bank Standalone**" refers to ABN AMRO Bank N.V. in the period between the Legal Demerger on 6 February 2010 and the Legal Merger on 1 July 2010, which contained the Dutch State-acquired businesses of ABN AMRO Holding.

"**ABN AMRO Holding**" refers to ABN AMRO Holding N.V. and its consolidated subsidiaries, which was acquired by the Consortium and renamed RBS Holdings N.V. upon the Legal Separation. RBS Holdings N.V. is part of The Royal Bank of Scotland Group plc.

"**Ageas**" refers to ageas SA/NV (formerly known as Fortis SA/NV) and ageas N.V. (formerly known as Fortis N.V.) together.

"**Annual Financial Statements 2010**" refers to ABN AMRO Group N.V.'s publicly available audited consolidated annual financial statements for the financial year ended 31 December 2010 (as set out on pages 131 to 137 in relation to the financial statements 2010, including the notes to the financial statements as set out on pages 168 to 257 and pages 62 to 97 (certain information in Chapter 7 (*Risk management*)), the summary of the accounting policies as set out on pages 138 to 167, the auditors' report on pages 258 and 259, and the Section "*Important notes to the reader*" in the inside cover, all as included in ABN AMRO Group N.V.'s Annual Report 2010).

"**BNP Paribas Fortis**" refers to Fortis Bank SA/NV, a consolidated subsidiary of BNP Paribas Group.

"**Consortium**" refers to The Royal Bank of Scotland Group plc ("**RBS Group**"), Ageas and Banco Santander S.A. ("**Santander**"), which jointly acquired ABN AMRO Holding on 17 October 2007 through RFS Holdings B.V. ("**RFS Holdings**").

"**Dutch State**" refers to the State of The Netherlands.

"**Dutch State-acquired businesses**" refers to the businesses of ABN AMRO Holding acquired by the Dutch State.

"**EC Remedy**" refers to the divestment of the EC Remedy Businesses by ABN AMRO Bank Standalone in order to satisfy the conditions imposed by the European Commission for approval of the integration of FBN with ABN AMRO Bank Standalone through the Legal Merger.

"**EC Remedy Businesses**" refers to New HBU II N.V. and IFN Finance B.V.

"**FBN**" refers to the legal entity Fortis Bank (Nederland) N.V., previously named Fortis Bank Nederland (Holding) N.V. ("**FBNH**"), which merged with ABN AMRO Bank Standalone pursuant to the Legal Merger.

"**Former ABN AMRO Bank N.V.**" refers to the entity which was part of the Former ABN AMRO group, which was renamed after the Legal Separation "RBS N.V." and is part of The Royal Bank of Scotland Group plc ("**RBS Group** ") since the Legal Separation.

"**Former ABN AMRO group**" refers to the former group of ABN AMRO headed by ABN AMRO Holding N.V. as acquired on 17 October 2007 by a consortium of banks through RFS Holdings B.V.

"**Former Fortis group**" refers to the former group of companies headed by Fortis SA/NV (renamed "Ageas SA/NV") and Fortis N.V. (renamed "Ageas N.V. ").

"**Legal Demerger**" refers to the legal demerger effectuated on 6 February 2010 in accordance with the demerger proposal filed with the Amsterdam Chamber of Commerce on 30 September 2009, thereby demerging the majority of the Dutch State-acquired businesses held by RBS N.V. into ABN AMRO Bank Standalone.

"**Legal Merger**" refers to the legal merger effectuated on 1 July 2010 between ABN AMRO Bank Standalone and FBN. ABN AMRO Bank was the surviving entity and FBN was the disappearing entity.

"**Legal Separation**" refers to the transfer on 1 April 2010 of the shares of ABN AMRO Bank from ABN AMRO Holding to ABN AMRO Group N.V.

"**RBS N.V.**" refers to The Royal Bank of Scotland N.V., formerly known ABN AMRO Bank N.V. prior to the Legal Demerger.

"**Shared assets**" refers to assets and liabilities that have not yet been settled between the Consortium members and in which each of the Consortium members has a joint and indirect interest.

5. DESCRIPTION OF ABN AMRO BANK N.V.

5.1 Incorporation

The legal name of the Issuer is ABN AMRO Bank N.V. and its commercial name is ABN AMRO. The Issuer is a public limited liability company (*naamloze vennootschap*) incorporated under Dutch law on 9 April 2009. The Issuer's corporate seat (*statutaire zetel*) is in Amsterdam, The Netherlands, its registered office is Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands and its mailing address is Post Office Box 283, 1000 EA Amsterdam, The Netherlands. The Issuer's telephone number is +31 (0)20 628 9393. The Issuer is registered in the Commercial Register of the Amsterdam Chamber of Commerce (*Handelsregister van de Kamer van Koophandel en Fabrieken voor Amsterdam*) under number 34334259.

5.2 Corporate objectives

The Issuer's objectives are (according to its articles of association (*statuten*)):

- a. to be a financial institution, to render investment services and to engage in investment activities, to administer the assets of third parties, to act as trustee, administrator and executor of wills and as a member of the managing or supervisory boards or liquidator of companies or other organisations, to act as an intermediary in respect of insurances, as well as to engage in all transactions, activities and services which may relate or be conducive thereto, all in the widest sense;
- b. to participate in, co-operate with, finance, administer and manage financial and other enterprises and companies, to guarantee or otherwise support or furnish security for any indebtedness or performance of any contract or obligation of other enterprises and companies which are part of the group of the company, render services to and perform staff positions for any such enterprises and companies, as well as to engage in all transactions, activities and services which may relate or be conducive to the above; and
- c. to foster the direct and indirect interests of all involved in the company, in whatever way, and to safeguard the continuity of the company and of the enterprise(s) associated therewith.

5.3. History and recent developments

The formation of ABN AMRO Group is a result of various legal and operational separation and integration activities. The Dutch State-acquired businesses were required to be separated from the former ABN AMRO group. Furthermore as a result of the EC Remedy, the EC Remedy Business needed to be sold and transferred by ABN AMRO Bank Standalone (see Section "*EC Remedy*" below). Prior to Legal Separation, the Dutch State-acquired businesses were already substantially separated operationally. The FBN businesses acquired by the Dutch State needed to be separated from Ageas and BNP Paribas Fortis. FBN was still required to complete the operational separation after completion of the legal separation on 3 October 2008 from Ageas. Consequently, ABN

AMRO Bank and FBN have taken various steps to integrate their businesses and legal structure to establish ABN AMRO Group.

History of ABN AMRO Bank Standalone

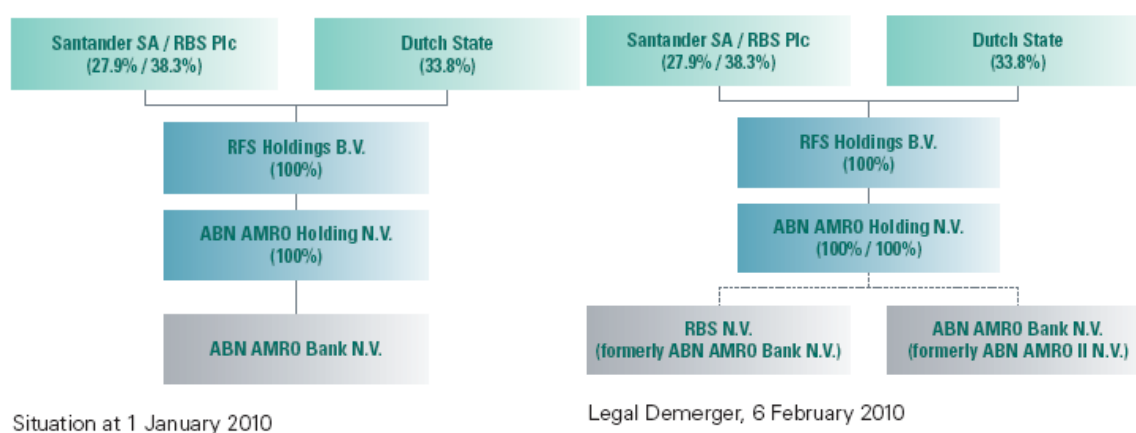
On 17 October 2007 ABN AMRO Holding was acquired by the Consortium.

On 3 October 2008 the Dutch State acquired FBN. The acquisition included the Dutch State-acquired businesses.

On 24 December 2008 the Dutch State-acquired businesses were transferred to the Dutch State.

The legal separation of the Dutch State-acquired businesses from the former ABN AMRO group was effected in two steps: the Legal Demerger (juridische splitsing) and the Legal Separation.

On 6 February 2010, the businesses acquired by the Dutch State legally demerged from the former ABN AMRO Bank N.V. into ABN AMRO II N.V. On the same date, the former ABN AMRO Bank N.V. was renamed RBS N.V. and ABN AMRO II N.V. was renamed ABN AMRO Bank N.V. (which continued as ABN AMRO Bank Standalone). The Legal Demerger led to a cross liability to RBS N.V. Both before and after the execution of the Legal Demerger, some subsidiaries and assets and liabilities acquired by the Dutch State were transferred separately to ABN AMRO Bank Standalone.



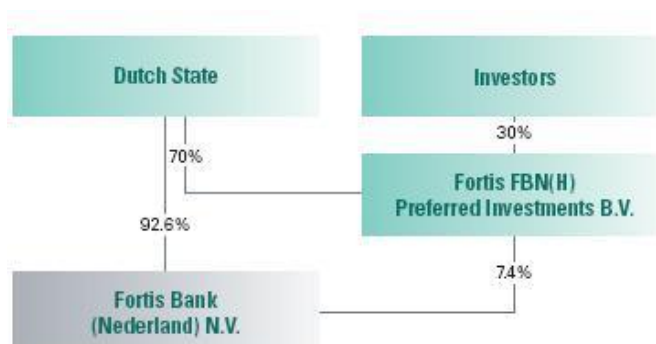
The Legal Demerger was followed by the Legal Separation on 1 April 2010 (see Section "Integration" below).

History of FBN

On 3 October 2008 the Dutch State acquired FBN from Fortis Bank SA/NV.

As from that date, the Dutch State owned all ordinary shares in FBN, and Fortis FBN(H) Preferred Investments B.V. owned 7.4% in class A non-cumulative preference shares in

FBN. The Dutch State controlled this entity with 70% of the votes via shares with priority rights.

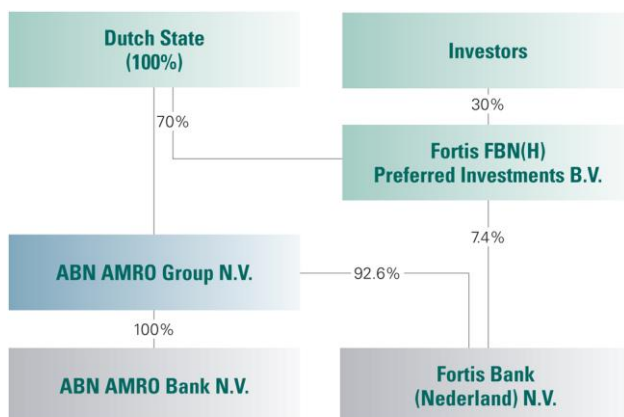


Situation at 1 January 2010

Integration

The legal integration took place in two steps: the composition of a single group through the Legal Separation on 1 April 2010, and subsequently, the Legal Merger on 1 July 2010.

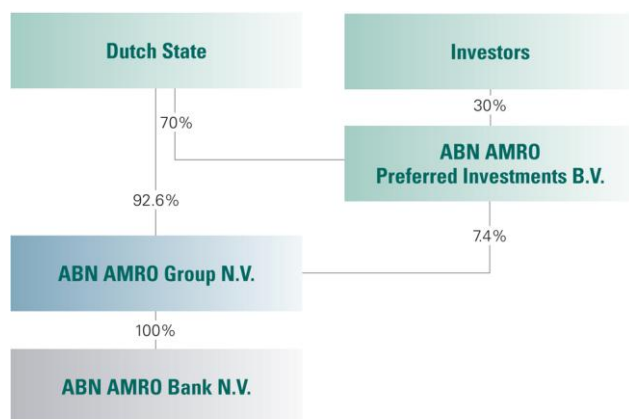
On 1 April 2010, ABN AMRO Bank Standalone was legally separated from ABN AMRO Holding and transferred to ABN AMRO Group, which was owned and controlled by the Dutch State. On the same date, FBN was transferred from direct ownership by the Dutch State to ABN AMRO Group.



Transfer to ABN AMRO Group, 1 April 2010.

On 1 July 2010 ABN AMRO Bank Standalone merged with FBN pursuant to the Legal Merger, following which the Issuer became the surviving entity (*verrijgende vennootschap*) and FBN has been the disappearing entity (*verdwijnde vennootschap*). As of the date of the Legal Merger, the rights and obligations of FBN transferred to ABN AMRO Bank Standalone by law under universal title and FBN ceased to exist. As of the same date, all activities, the branch network and every subsidiary of FBN were transferred to ABN AMRO Bank Standalone, which continued to exist as the current Issuer, ABN AMRO Bank.

In connection with the Legal Merger, ABN AMRO Group issued class A non-cumulative preference shares to ABN AMRO Preferred Investments (previously named Fortis FBN(H) Preferred Investments B.V.) in exchange for the preference shares it held in FBN. Following the Legal Merger, the Dutch State has a total (combined direct and indirect) interest in ABN AMRO Group of 97.8%.



Legal Merger, 1 July 2010.

EC Remedy

On 1 April 2010, ABN AMRO Bank Standalone completed the sale of the EC Remedy Businesses. This was a precondition set by the European Commission for the integration of ABN AMRO Bank Standalone and FBN. The operational separation of the EC Remedy Businesses is expected to be finalised by 2012. The sale of the EC Remedy Businesses to Deutsche Bank included a financial guarantee (the Credit Umbrella) that covers part of the potential credit losses on the portfolio existing at the time of the closing of the transaction and a cross liability with New HBU II N.V.

State Ownership

The Dutch State has announced that, in relation to ABN AMRO, the exit of its ownership is not expected before 2014. The Dutch State keeps all options open for a return to the private market for ABN AMRO, but has indicated it favours an Initial Public Offering (IPO).

5.4 Summarised description of the Issuer following the Legal Merger

Summarised description of the Issuer

ABN AMRO is an all-round bank, servicing retail, private banking and commercial banking clients in The Netherlands and selectively abroad. In addition to its strong position in The Netherlands, ABN AMRO is active in a number of specialised activities such as Energy, Commodities & Transportation and Clearing and in private banking in a select number of countries. To become an efficient and sustainable bank by 2012 and beyond, ABN AMRO will continue to focus on the following key strategic themes: client focus; maintaining a

moderate risk profile while further improving of the profitability of the bank; growing our activities; and integrating long-term perspectives into all our decisions.

ABN AMRO is organised into two business segments, Retail & Private Banking (R&PB) and Commercial & Merchant Banking (C&MB), and a support segment, Group Functions.

Financial Objectives

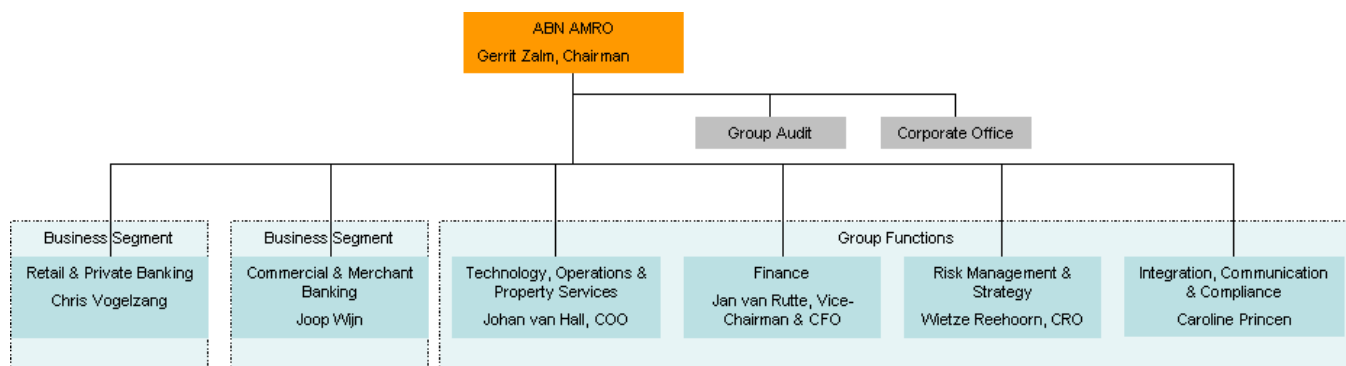
The targeted cost/income ratio of the Issuer following finalisation of the integration, which is expected to be by the end of 2012, is 60 to 65%. The Issuer aims to achieve this target in part by realising annual pre-tax integration synergies of EUR 1.1 billion as of 2013, while at the same time making sure that the pre-tax integration costs to be incurred in the period 2009-2012 are capped at EUR 1.6 billion.

5.5 Business Description

ABN AMRO's organisational structure reflects its business structure since 1 July 2010. The organisation consists of the following units:

Two client centres, *Retail & Private Banking* ("**R&PB**") and *Commercial & Merchant Banking* ("**C&MB**"), Group Functions, consisting of *Technology, Operations & Property Services* ("**TOPS**"), *Finance, Risk Management & Strategy* ("**RM&S**") and *Integration, Communication & Compliance* ("**ICC**").

This section describes each segment, including a review of activities in 2010. A description of the products offered and clients served by each business line is provided below.



A. RETAIL & PRIVATE BANKING

Business scope

R&PB consists of Retail Banking, Private Banking Netherlands and Private Banking International, each of which serves a different client base with a tailored business proposition.

Retail Banking serves Mass Retail and Preferred Banking clients¹ and offers a wide variety of banking and insurance products and services through the branch network, online, via contact centres, via intermediaries and through subsidiaries.

Private Banking provides total solutions to its clients' global wealth management needs and offers an array of products and services designed to address their individual needs. Private Banking operates as one private bank in terms of client service as well as product offering, and is the centre of expertise for investment services, while Retail Banking acts as a knowledge centre for savings and loans for both Retail Banking and Private Banking Netherlands. For managerial purposes Private Banking is organised into two entities: Private Banking Netherlands, operating under the brand name ABN AMRO MeesPierson, and Private Banking International, operating under the brand name ABN AMRO Private Banking and local brands such as Banque Neuflyze OBC in France and Delbrück Bethmann Maffei AG in Germany. The International Diamond & Jewelry Group ("**ID&JG**"), a global market player in offering financial services to the diamond and jewellery industry, is part of Private Banking International.

A.1 RETAIL BANKING

Business scope

Retail Banking is an important retail bank in The Netherlands, serving approximately 6.8 million individuals and offering professional advice and a broad range of products to retail clients at all stages of their lives. In an effort to put the client centre stage, ABN AMRO aims to:

- offer a transparent range of products;
- provide integrated, relevant and outstanding advice and make fewer referrals (one-stop shop);
- stay close to the market. The branch network is very dense, the 24/7 telephone service is available 365 days a year, and the online banking facilities rank among the best in the industry in The Netherlands²;
- achieve maximum effectiveness in serving clients by giving staff the authority to serve clients directly.

ABN AMRO offers various sustainable products in response to increasing demand from its clients. The bank also takes its corporate responsibility seriously, as witnessed, for example, by the fact that ABN AMRO Foundation organised financial education lessons for primary schools in 2010.

¹ Preferred Banking is ABN AMRO's servicing concept for clients with a net monthly income exceeding EUR 5,000 or EUR 50,000 – EUR 1 million in investable assets.

² ABN AMRO was named Best in Online Banking 2010 by the Dutch Consumers' Association (*Consumentenbond*).

Clients

Retail Banking serves two client segments with corresponding services based on income and assets.

Mass Retail

ABN AMRO serves approximately 6 million Mass Retail clients through a variety of channels, with branded propositions targeting specific groups (e.g. young professionals, students and children).

Preferred Banking

Preferred Banking is ABN AMRO's servicing concept for approximately 800,000 clients who have a net monthly income exceeding EUR 5,000 or EUR 50,000 – EUR 1 million in investable assets. Preferred Banking clients are assigned a relationship manager with in-depth expertise to cater to the clients' specific needs, have access to specialists (including investment managers and financial and estate planners) and enjoy exclusive services (such as special events and economic insights).

Multi-channel distribution

ABN AMRO offers its products, information and services via a multi-channel distribution network, including the branch network, the internet, four Advice & Service Centres that provide 24/7 telephone service, intermediaries and subsidiaries. The network of 508 branches is spread across The Netherlands. Each branch offers broad expertise and advice on all of the bank's consumer products and services, while specialised advisors provide mortgage and investment advice. Clients visit branches less frequently each year, while direct channels are becoming increasingly popular and efficient, one reason why the four Advice & Service Centres, for example, are expanding into full-service and advice centres.

Approximately 2.7 million clients use Internet Banking, and this number is growing steadily. To keep pace with rapid technological developments and to meet the demand for 24/7 service, the bank is focusing on improving and innovating internet and mobile applications.

Main subsidiaries

The following subsidiaries³ of ABN AMRO Bank related to Retail Banking are:

Direktbank

Direktbank N.V. ("**Direktbank**") sells mortgages and service products and works exclusively with independent mortgage advisors. Direktbank is the result of a merger between Direktbank and Fortis Hypotheekbank N.V. on 30 August 2010.

³ Unless explicitly indicated otherwise, all subsidiaries are 100% wholly-owned by ABN AMRO Bank

ABN AMRO Hypotheken Groep

ABN AMRO Hypotheken Groep B.V. (AAHG), founded in January 2006, is the supplier of all ABN AMRO-labelled residential mortgage products and is the legal and economic owner of the residential mortgage portfolios of its Florius brand and of its subsidiary MNF Bank N.V.

MoneYou

MoneYou B.V. (MoneYou) operates as an internet bank offering savings accounts to consumers and commercial clients and residential mortgages and consumer lending in the Netherlands.

Alfam

Alfam Holding N.V. ("**Alfam**") is ABN AMRO's competence centre for consumer finance. Alfam sells consumer loans via intermediaries under three different labels: Alpha Credit Nederland, Credivance and Defam.

International Card Services

International Card Services B.V. ("**ICS**") is ABN AMRO's credit card specialist. ICS issues, promotes, manages and processes credit card transactions and offers other financial services, such as revolving credit facilities.

ABN AMRO Verzekeringen

Delta Lloyd ABN AMRO Verzekeringen Holding B.V. ("**ABN AMRO Verzekeringen**") is a joint venture founded in 2003 with Delta Lloyd in which ABN AMRO holds a 49% stake. ABN AMRO Verzekeringen offers life and non-life insurance products to consumers and commercial clients under the ABN AMRO brand. ABN AMRO Verzekeringen is the legal and economic owner of the ABN AMRO-labelled insurance portfolios and is responsible for product development, procurement, operations, risk management and collections. ABN AMRO acts as an intermediary for ABN AMRO Verzekeringen by selling and providing advice on a broad range of life and non-life insurance products, for which ABN AMRO receives commission payments.

A.2 PRIVATE BANKING

Business scope

ABN AMRO is an important market player in private banking in The Netherlands with a local presence in a select number of countries in Europe and Asia. Private banking activities are organised into two business lines: Private Banking Netherlands, operating under the brand name ABN AMRO MeesPierson, and Private Banking International, operating under the brands ABN AMRO Private Banking and local brands such as Banque Neuflyze OBC in France and Delbrück Bethmann Maffei AG in Germany.



Service principles

With access to information 24 hours a day, clients today are more enterprising and demanding than ever and increasingly expect their bank to have an international service model. The bank has therefore defined the following three leading principles for advising clients:

- We take a holistic approach to our clients rather than focusing solely on their investments.
- We always provide our clients with multiple solutions, offering choices in the decision-making process.
- We have the capabilities to deliver our service to clients through an international network, professional staff and a strong set of products.

Clients

ABN AMRO offers private banking services targeted at clients with freely investable assets exceeding EUR 1 million (or USD 1 million in Asia). Service teams manage client relationships and provide independent advice supported by specialists. When desired, clients have direct access to these specialists.

ABN AMRO offers different service models according to client wealth bands:

- High Net Worth Individuals ("**HNW**") with Assets under Management in excess of EUR 1 million (Private Banking);

- Ultra High Net Worth Individuals ("**UHNW**") with Assets under Management in excess of EUR 25 million (Private Wealth Management).

Within these two main client groups, ABN AMRO offers a broad set of tailored services to suit the particular needs of its clients:

- *Family money* provides specific services tailored to the needs of families, including wealth transfer to the next generation;
- *Entrepreneurs and their enterprises* advises entrepreneurs and family businesses, where business and personal needs are often interlinked;
- *Charities and Institutions* offers dedicated expertise to foundations and charitable organisations.

Additional special client services are offered by the following teams:

- *Professionals and Executives team (primarily in The Netherlands)* serves executives in various fields including lawyers, accountants and consultants. Executive services target current and former board members of listed companies. These clients are presented with complexities in their personal finance because of the nature of their functions.
- *World Citizen Services team* provides tailor-made advice to Private Banking clients with international lifestyles, including structuring international assets, financing a home abroad and providing contacts for clients in the local market.

A total solutions approach

Private Banking aims to provide a total solution for its clients' global wealth management needs. The bank offers an array of services and products, including independent and transparent advice on wealth planning, structuring, discretionary portfolio management and insurance solutions. An open architecture with access to a broad range of investment products and opportunities ensures that clients are offered a broad selection of products available, irrespective of the provider.

Our core capabilities: the nine key areas



The ABN AMRO Global Research & Strategy team ("**R&S**") is the cornerstone of ABN AMRO's investment advice service. R&S monitors worldwide market developments and generates regular macroeconomic views, market forecasts and research on all asset classes

and instruments (except investment funds). These are all used for strategic and tactical asset allocation.

ABN AMRO offers investment funds, the majority of which are provided by third parties screened by AA Advisors, the bank's fund-selection centre of expertise.

One of the challenges of financial institutions today is to incorporate sustainability principles into investment processes. This is an area in which the industry can create impact, both by embedding sustainability criteria in investment practices and by offering sustainable investment products. Banque Neuflyze OBC (see Section "*Main subsidiaries*") and the 50/50 joint venture of Triodos and ABN AMRO MeesPierson Sustainable Investment Management ("**Triodos MeesPierson**") offer investors sustainable investment opportunities. Triodos MeesPierson ensures that investments are executed based on sound financial and sustainability criteria and on Sustainalytics ratings.⁴

Private Banking offers not only a wide range of sustainable products (e.g. third-party sustainability funds) but also makes sustainability part of its services (sustainable asset management) and its business operations.

Main subsidiaries

The following subsidiaries⁵ of ABN AMRO Bank are related to Private Banking:

Banque Neuflyze OBC

Banque Neuflyze OBC S.A. ("**Banque Neuflyze OBC**") is 99.9%-owned by ABN AMRO Bank N.V. It operates 11 branches in main French cities. Banque Neuflyze OBC has developed a private banking model in France based on an integrated approach to private and commercial wealth while also offering specialist services such as art advisory. Banque Neuflyze OBC and its subsidiaries cover a range of other activities:

Neuflyze OBC Investissements is a wholly-owned subsidiary of Banque Neuflyze OBC. It delivers local discretionary portfolio management as well as a range of open-ended funds covering various asset classes. Through its AA Advisors, it offers multi-management solutions as well as fund selection.

Neuflyze Private Assets is an asset manager specialising in US and European equities with a flexible and opportunistic approach.

Neuflyze Vie is a life insurance company owned by Banque Neuflyze OBC (60%) and by AXA (40%). Neuflyze Vie was created to offer life insurance products for (U)HNW Individuals and has developed customised solutions with a focus on unit-linked contracts.

⁴ Sustainalytics is a specialised agency that rates over 2,000 companies based on their ecological, social and governance efforts by making use of a wide range of criteria that are weighted according to the sector in which a company operates.

⁵ Unless explicitly indicated otherwise, all subsidiaries are 100% wholly-owned by ABN AMRO

Delbrück Bethmann Maffei

Delbrück Bethmann Maffei AG ("**Delbrück Bethmann Maffei**"), a wholly-owned subsidiary of ABN AMRO Bank, enjoys a strong local heritage and brand recognition in the German market. With nine branches covering all major regions of Germany, Delbrück Bethmann Maffei offers all Private Banking and Private Wealth Management related services.

International Diamond & Jewelry Group

ID&JG is a global market player in offering financial services to the diamond and jewellery industry.

The bank's clients in this area are commercial entities, often family-owned and active across multiple geographies. The diamond and jewellery industry requires global reach and innovative global trade services and financing solutions. ID&JG's core offering consists of lending and trade-finance based products.

ABN AMRO's client acceptance requirements adhere to high regulatory standards and clients are re-assessed yearly. Furthermore, ABN AMRO adheres to and applies the Kimberly Process Certification Scheme that was launched in 2002 by a unique coalition of governments, civil society and the diamond industry as an international initiative to eliminate the trade in conflict diamond. ABN AMRO is also a founding member of the Responsible Jewellery Council, an international not-for-profit organisation established to reinforce consumer confidence in the jewellery industry by advancing responsible business practices throughout the diamond and gold jewellery supply chain.

B. COMMERCIAL & MERCHANT BANKING

Business scope

ABN AMRO is an important commercial and merchant bank in The Netherlands, offering customised financial advice and products to companies based in The Netherlands and their operations abroad. Commercial & Merchant Banking's client base encompasses start-ups and the self-employed, small and medium-sized enterprises, and large corporates and financial institutions. In addition to its strong position in The Netherlands, ABN AMRO leads a number of global specialist markets with its Energy, Commodities & Transportation, ABN AMRO Clearing and collateralised finance businesses (factoring and lease in Western Europe).

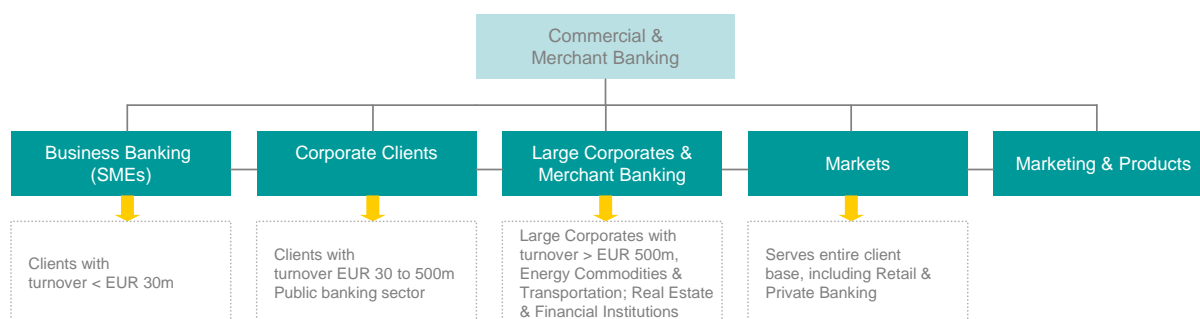
C&MB fosters long-term relationships with clients and strives to maximise client satisfaction by offering excellent sector knowledge, a broad and innovative range of products, and first-rate service.

ABN AMRO clients have access to a nationwide network in The Netherlands and a network of offices in Western Europe and in major financial and logistics centres worldwide. C&MB has a presence in three time zones across major financial centres.

C&MB is organised into four business lines:

- Business Banking (SMEs)
- Corporate Clients
- Large Corporates & Merchant Banking
- Markets

The business lines are supported by Marketing & Products in activities such as marketing, strategy, communications, product management and sector advisory.



B.1 BUSINESS BANKING

Business Banking offers small and medium-sized businesses with turnover up to EUR 30 million a broad range of standard and customised products. Financial advice is based on in-

depth knowledge of the sectors in which clients operate and a solid understanding of the clients' business.

The service model is tailored to the company's size and needs:

- ABN AMRO offers small companies YourBusiness Banking, allowing clients to conduct their banking activities through multiple channels: online via Internet Banking, by telephone with an advisor, or in person at a branch counter or with a local specialist.
- ABN AMRO assigns medium-sized businesses a dedicated relationship manager who advises on financial matters based on in-depth knowledge of the client's business and market and is supported by specialists who, for example, offer advice on insurance, payments, finance and treasury.

Business Banking has a nationwide network of 78 business offices, though clients may also use any of the 508 retail branches in The Netherlands for their day-to-day banking needs. Additional services are provided by dedicated Client Support Units. ABN AMRO's growing international network supports clients in their cross-border operations.

B.2 CORPORATE CLIENTS

Corporate Clients serves companies with turnover between EUR 30 and 500 million as well as clients in the public sector.

Corporate Clients are served from five dedicated units, each providing a full range of services as well as offering in-depth sector expertise and knowledge of market developments. Each corporate client is assigned a dedicated Client Team, consisting of a relationship manager and a (shared) team of specialists in various product areas. Clients also have access to a Client Support Unit for their day-to-day banking matters.

Corporate Clients focuses its growth on the following sectors: Agrifood, Retail, Building & Construction, Manufacturing & Capital Goods, Transport & Logistics, Business Services, Trade & Commodity Finance and Public Banking (i.e. government bodies, health care organisations and housing corporations).

Corporate Clients is selectively expanding its network abroad to meet the needs of its Dutch clients who have international activities. For some countries, agreements with partner banks have been concluded to provide clients with local service. In addition, ABN AMRO is a strong Western European player in collateralised finance (factoring and lease).

B.3 LARGE CORPORATES & MERCHANT BANKING

Large Corporates & Merchant Banking ("**LC&MB**") provides financial services to Netherlands-based corporates, financial institutions and investors in the real estate sector as well as international companies active in energy, commodities and transportation.

Large Corporates

Large Corporates has offices in Amsterdam and Rotterdam and provides strategic relationship management to clients based in The Netherlands with turnover exceeding EUR 500 million. Large Corporate clients are served by sector coverage teams, which are supported by product teams and credit specialists.

Energy, Commodities & Transportation ("ECT")

ECT clients are internationally active mid-sized to large corporate clients active in Energy (oil and gas industry and offshore services), Commodities (commodity trading companies active in energy, agricultural and metals commodities), and Transportation (shipping industry and intermodal transportation). The portfolio is spread across sectors, rating categories and geographies, enabling ECT to avoid credit concentrations and create portfolio resilience through the cycle.

Financial Institutions

LC&MB has a dedicated financial institutions team ("Financial Institutions Group") serving domestic Dutch and international banks, pension funds, asset managers and insurance companies. The Financial Institutions Group advises clients on regulatory developments, Mergers & Acquisitions (M&A), equity capital market and debt capital markets activities.

Real Estate Finance

The Real Estate Finance team serves professional real estate clients based in The Netherlands, both investors and developers, providing a full range of financial solutions including corporate lending, asset-backed investment and development finance, as well as several advisory services.

Products

LC&MB offers a full array of banking services and products. *Cash & Liquidity Management* includes a range of cash management products and services to businesses seeking to optimise working capital and the financial supply chain. *Debt Solutions* offers products such as Acquisition & Leveraged Finance, Loan Syndications, Global Export & Project Finance, Debt Capital Markets, Structured Finance and Capital Structuring & Advisory. *Corporate Finance & Capital Markets* advises targets, bidders and (selling) shareholders on the M&A side and, on the capital markets side, helps clients to raise equity either through private placement, initial public offering or primary or secondary offering. *Private Equity* invests in companies active in the food, retail, media, industrial goods and services, automotive, technical wholesale, medical equipment and transport sectors. The focus is on mid-market management buyouts, expansion capital and restructurings for companies based in The Netherlands.

As one of its co-founders, ABN AMRO has adopted the Equator Principles⁶. Each project financed by the bank is categorised according to its environmental and social risks.

B.4 MARKETS

Markets serves a broad client base, ranging from corporates and financial institutions to retail and private banking clients. Its product portfolio includes foreign exchange, rates, bonds, equities, derivatives and structured products.

⁶ The Equator Principles are a credit risk management framework for determining, assessing and managing environmental and social risk in project finance transactions

Markets offers its clients online services such as ABN AMRO DealStation, allowing execution of foreign exchange and money-markets transactions. In The Netherlands, Markets has sales and trading activities in Amsterdam and Treasury Desks in five locations. Outside The Netherlands, Markets has sales and trading activities in Singapore, Hong Kong, London and New York.

In addition, Markets has two global business lines: Securities Borrowing and Lending. ABN AMRO is a large global player in the securities borrowing and lending market.

ABN AMRO Clearing

ABN AMRO Clearing, a subsidiary of ABN AMRO, is recognised as a global player in derivatives and equity clearing and one of the few players currently able to offer global market access and clearing services on more than 85 of the world's exchanges. ABN AMRO Clearing operates from 12 locations across the globe and offers an integrated package of direct market access, clearing and custody services covering futures, options, equity, commodities, energy and fixed income.

The ABN AMRO Clearing operating model is, where possible, completely self-supporting due to the nature of business, where speed and responsiveness are critical and regulators and clients expect separation of clearing activities from the general banking activities. ABN AMRO clearing operations are undertaken by ABN AMRO Clearing Bank N.V., which has a banking license and is regulated and supervised by DNB.

B.5 OTHER SUBSIDIARIES

The following subsidiaries⁷ of ABN AMRO Bank related to C&MB are:

ABN AMRO Lease

ABN AMRO Lease N.V. ("**ABN AMRO Lease**") – formerly Amstel Lease – is an equipment lease company and delivers lease contracts worldwide to C&MB clients. Contracts are offered through the ABN AMRO Lease network – from offices in The Netherlands, Belgium, Germany and the United Kingdom – and through ABN AMRO's branch network.

ABN AMRO Commercial Finance activities

ABN AMRO provides factoring services to its clients as well as to clients from other distribution channels through ABN AMRO Commercial Finance B.V. ("**ACF**"), Fortis Commercial Finance Holding N.V. ("**FCF**") and under the Venture Finance label in the United Kingdom.

On 10 June 2011, ABN AMRO reached agreement with BNP Paribas Fortis on the sale of the non-Dutch activities of factoring company FCF. The Dutch part of FCF will remain with ABN AMRO and be integrated into ACF.

⁷ Unless explicitly indicated otherwise, all subsidiaries are 100% wholly-owned by ABN AMRO

The planned sale is subject to the usual conditions, including advice from the Works Council and approval by the relevant authorities, including merger control authorities. The name of the Dutch part of FCF will be changed to ABN AMRO Commercial Finance and its activities brought in line with the other activities of ACF. ACF is well-positioned in the Netherlands, Germany, France and the United Kingdom and the sale will enable it to reinforce its focus on these core countries.

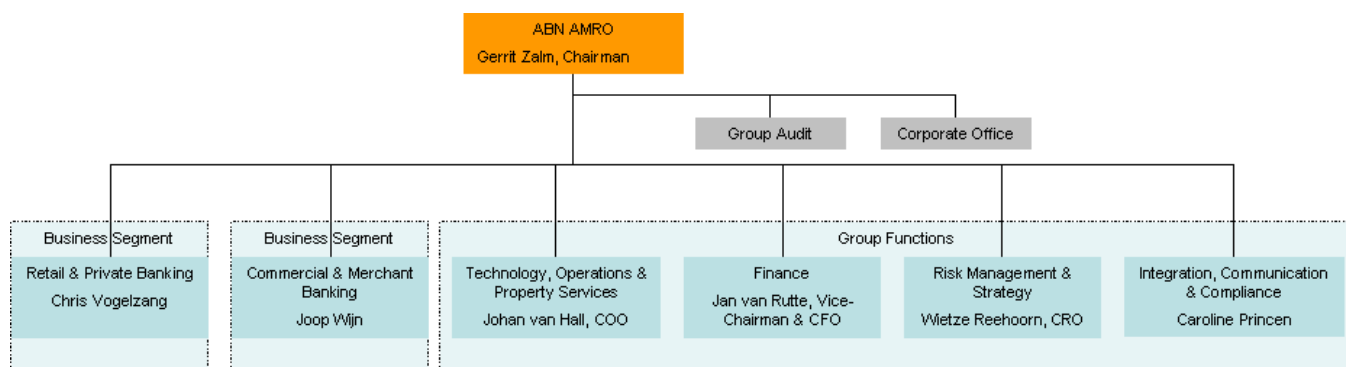
ABN AMRO and BNP Paribas Fortis have entered into an agreement to enable continued services to the multi local clients.

ABN AMRO Groenbank

ABN AMRO Groenbank B.V. ("**ABN AMRO Groenbank**") finances sustainable projects based on the fiscal green scheme provided for in the Dutch tax system. ABN AMRO Groenbank takes savings deposits and investment cash from Retail & Private Banking and makes this capital available to businesses that invest in sustainable projects in The Netherlands. Financing of sustainable projects has been put on hold following recent changes to the Dutch fiscal green scheme; however, ABN AMRO Groenbank B.V. continues to exist and to attract funds.

C. GROUP FUNCTIONS

Group Functions supports ABN AMRO's businesses by delivering services in the areas of Finance, Risk Management & Strategy, Integration, Communication & Compliance and Technology, Operations & Property Services through a global shared services organisation.



Group Audit reports to the Chairman of the Managing Board, and the head of Group Audit has a direct information line to the Chairman of the Audit Committee. Group Audit also acts as the third line of defence (see also Section 7.2 (*Risk governance*) of the Annual Financial Statements 2010 incorporated by reference in this Registration Document).

The Company Secretary, appointed by the Managing and Supervisory Boards, holds an independent position under the direct supervision of the Chairman of both the Managing and Supervisory Boards. The Company Secretary also acts as Chief Corporate Governance Officer.

C.1 TECHNOLOGY, OPERATIONS & PROPERTY SERVICES (TOPS)

TOPS coordinates the integration of the entire bank and is responsible for all relocations of businesses, subsequent re-use of rental buildings and future business development.

ABN AMRO's IT department utilises outsourcing and off-shoring of IT development, maintenance and infrastructure services as a key element of its operating model.

TOPS manages the supplier selection process and the related negotiations and contracting procedure, ensuring competitive market rates and helping the businesses to devise their own procurement strategies.

TOPS protects ABN AMRO against financial losses caused by internal and external criminal activities and abuse of the financial system. This includes providing and validating information with regard to client acceptance, client due diligence and money laundering.

In keeping with ABN AMRO's sustainability strategy, TOPS invests in lower energy consumption at the data centres, which are responsible for a large portion of the bank's energy use. The bank is involved with FIRA, a new sustainability knowledge broker in The Netherlands, co-founded by ABN AMRO, which validates corporate sustainability claims and reviews their internal processes. This information is used in selecting suppliers and developing joint plans to improve sustainability performance.

C.2 FINANCE

Finance is the primary supplier of management and reporting information to ABN AMRO's businesses and to external stakeholders. Finance plays an independent role in delivering management information and challenging business decisions. It provides a strong financial control environment and ensures compliance with accounting standards and requirements set by the regulatory authorities.

Finance includes Asset & Liability Management/Treasury (ALM/T), which also has a reporting line to Risk Management & Strategy. ALM/T is responsible for managing the level of capital, interest rate risk (banking book) and liquidity available to ABN AMRO and runs the Treasury function.

C.3 RISK MANAGEMENT & STRATEGY

A healthy bank relies on sound risk management and a risk culture in which every member of staff takes accountability for their actions. ABN AMRO therefore operates under the three lines of defence risk management model. This model is generally accepted as the best practice standard for risk management in the financial industry and makes risk management the responsibility of every employee of the bank. It enhances risk awareness and promotes the bank's risk culture.

Risk Management, the Economics Department and Strategy (including Corporate Development and Investor Relations) have been combined into one organisation, Risk Management & Strategy (RM&S). RM&S is closely aligned with ALM/T to ensure that ABN AMRO's risk appetite is in line with the bank's corporate strategy and capital position, taking into consideration the economic outlook.

C.4 INTEGRATION, COMMUNICATION & COMPLIANCE

The primary responsibility of Integration, Communication and Compliance (ICC) is to help ABN AMRO's businesses put their clients centre stage. ICC consists of Change & Integration, Communications & Branding, Compliance, Human Resources, Legal and Sustainability.

ABN AMRO faces the challenge of transforming the bank in line with the new business strategy, company values and people strategy. The focus for the coming years will be on creating a new corporate culture (promotion of the new company values: Trusted, Professional and Ambitious) and on promoting client-oriented behaviour.

ABN AMRO's Compliance function provides independent oversight on behalf of the Managing Board with respect to policies, procedures and core processes to ensure ABN AMRO conforms with (industry-specific) laws and regulations both in letter and in spirit. The Legal department provides legal support to the organisation while maintaining oversight of the Group's legal risks and preserving ABN AMRO's reputation.

The Sustainability department formulates the bank's sustainability strategy and ensures that sustainability is embedded in the bank's business practices. ABN AMRO Foundation runs social projects and coordinates integration activities in a wider social context, primarily by organising volunteer work for staff.

5.6 Capital or equivalent

The Issuer's authorised capital amounts to EUR 2,000,000,000 (two billion euro) and is divided into 2,000,000,000 (two billion) ordinary shares of EUR 1 (one euro) each. The issued and paid capital amounts to EUR 800,000,000 (eight hundred million euro).

5.7 Main shareholder, group and control

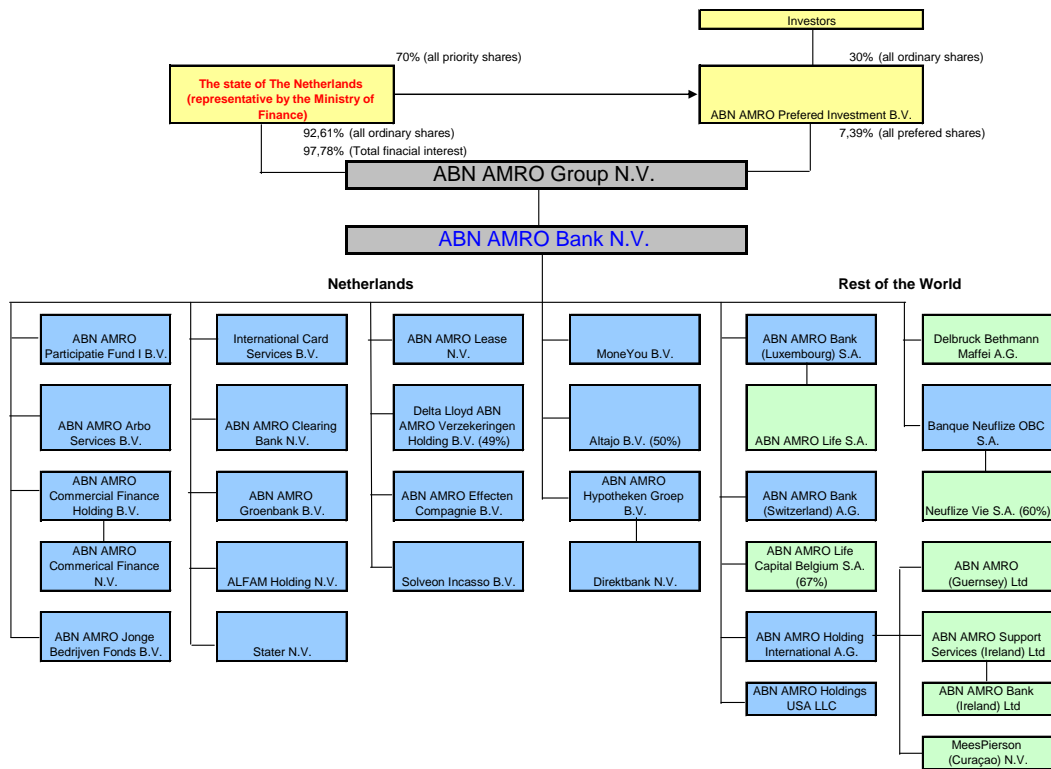
Shareholder

ABN AMRO Group N.V. is the Issuer's sole shareholder. Following the Legal Merger, the Issuer is the only direct subsidiary of ABN AMRO Group N.V. and ABN AMRO Group N.V. has no significant activities other than holding the shares in the Issuer. The managing board and the supervisory board of ABN AMRO Group N.V. are composed of the same members as the Issuer.

As of 1 July 2010, the shareholders of ABN AMRO Group N.V. are the Dutch State and ABN AMRO Preferred Investments B.V. The Dutch State holds all outstanding ordinary shares in the share capital of ABN AMRO Group N.V. and ABN AMRO Preferred Investments B.V. holds all outstanding preference shares in the share capital of ABN AMRO Group N.V. The Dutch State holds a majority of the shares in the share capital of ABN AMRO Preferred Investments B.V.

Group

Set out below is a diagram of the legal structure of the Issuer and its main (in)direct subsidiaries:



Notes:

Unless otherwise stated, the Issuer's interest is 100% or almost 100%, following the Legal Merger. Those major subsidiaries and participating interests that are not 100% consolidated but are accounted for under the equity method or proportionally consolidated are indicated separately. The subsidiaries highlighted in green are indirectly held by the Issuer.

1. Joint Venture (49%) with Delta Lloyd.
2. Joint Venture (50%) with Rabobank.

Control

The Dutch State has full control over ABN AMRO Group N.V.

The Dutch State is not involved in the day-to-day management of the Issuer.

The Dutch State has announced that, in relation to ABN AMRO, the exit of its ownership is not expected before 2014. The Dutch State keeps all options open for a return to the private market for ABN AMRO, but has indicated it favours an Initial Public Offering (IPO).

403 Statement

On 1 April 2010 ABN AMRO Group N.V. issued a statement of joint and several liability within the meaning of Article 403, subsection 1, paragraph f, Book 2 of the Dutch Civil Code (*Burgerlijk Wetboek*), (the "**403 Declaration**") in relation to the Issuer. Pursuant to the 403 Declaration, ABN AMRO Group N.V. is jointly and severally liable with the Issuer for debts resulting from legal acts of the Issuer.

The 403 Declaration is part of the Dutch company law provisions designed to enable subsidiaries of parent companies which publish consolidated annual accounts to obtain an exemption from the requirements to separately publish their own annual accounts. One of the conditions for obtaining such exemption is that a 403 Declaration is issued by the parent company and deposited with the Commercial Register of the Chamber of Commerce in the place where the subsidiary is established. The statutory provisions relating to 403 Declarations are contained in Article 2:403 and following of the Dutch Civil Code.

The 403 Declaration may provide limited economic benefit or recourse to investors. The 403 Declaration constitutes a guarantee by ABN AMRO Group N.V. for debt securities issued by the Issuer. If the Issuer should default, creditors impacted by such default, including holders of debt securities may claim against the Issuer and/or ABN AMRO Group N.V. as the guarantor. The obligation of ABN AMRO Group N.V. under the 403 Declaration is unconditional and is not limited in amount or by the type of Issuer obligation resulting from its legal acts. However, a legal defence available to the Issuer against a creditor of the Issuer would likewise be available to ABN AMRO Group N.V. as well. Furthermore, since ABN AMRO Group N.V. is a holding company with no significant activities of its own, it would have to look at its operating subsidiaries to satisfy a claim brought against it by a holder of a financial instrument or any other creditor of the Issuer on the basis of the 403 Declaration. Finally, ABN AMRO Group N.V. may revoke the 403 Declaration at any time.

5.8 Managing Board

Name	Principal activities performed by them outside the Issuer which are significant with respect to the Issuer*
Gerrit Zalm, <i>Chairman</i>	None
Jan van Rutte, <i>Vice Chairman & Chief Financial Officer</i>	None
Johan van Hall, <i>Chief Operating Officer</i>	None
Caroline Princen, <i>Integration, Communication & Compliance</i>	None
Wietze Reehoorn, <i>Chief Risk Officer and Strategy</i>	None
Chris Vogelzang, <i>Retail & Private Banking</i>	None
Joop Wijn, <i>Commercial & Merchant Banking</i>	None

*Except for their principal functions in the Issuer or its subsidiaries, directors' other functions within the Issuer or its subsidiaries have not been included. Each member of the Managing Board is also member of the Managing Board of ABN AMRO Group N.V.

5.9 Supervisory Board

Name	Principal activities performed by them outside the Issuer which are significant with respect to the Issuer*
Hessel Lindenbergh, <i>Chairman</i>	<p>Chairman of Supervisory Board, Bank voor de Bouwnijverheid N.V. (Bank for Construction Industry)</p> <p>Chairman of Supervisory Board, Agendia B.V.</p> <p>Chairman of Board, Centraal Fonds Volkshuisvesting (Central Housing Fund)</p> <p>Member of Supervisory Board, Ortec International B.V.</p> <p>Member of Supervisory Board, Gamma Holding N.V.</p> <p>Member of Supervisory Board, Zeeman Groep N.V.</p>

	<p>Member of Supervisory Board, DHV Holding N.V.</p> <p>Member of Supervisory Board, Docters Pension Fund B.V.</p> <p>Member Board of Trustees, University of Amsterdam</p> <p>Member of Board, Stichting Bescherming TNT, Stichting Vopak, Stichting Preferente Aandelen (Foundation Preferred Shares) Wolters Kluwer, Stichting Administratiekantoor van Aandelen Telegraaf Media Groep N.V.</p>
Rik van Slingelandt, <i>Vice Chairman</i>	<p>Supervisory Director, Kahn Scheepvaart B.V.</p> <p>Advisor, Redevco B.V.</p> <p>Member of Board, Stichting Neijenburg</p> <p>Chairman, Save the Children Fund Netherlands</p>
Hans de Haan	<p>Member of Board, Stichting (Foundation) Trustee Achmea Hypotheekbank</p> <p>Trustee in the bankruptcy of Van der Hoop Bankiers N.V.</p> <p>Trustee in the bankruptcy of N.V. De Indonesische Overzeese Bank</p>
Steven ten Have	<p>Professor of Strategy and Change at Vrije Universiteit Amsterdam and partner at Ten Have Change Management</p> <p>Chairman of Supervisory Board, Cito B.V.</p> <p>Vice-Chairman of Supervisory Board, Stichting Cito Instituut voor Toetsontwikkeling (Foundation Cito Institute for Educational Testing Development)</p> <p>Chairman, Postgraduate Programme Change Management, Vrije Universiteit, Amsterdam</p> <p>Member, Committee for Social Innovation Ministry of Economic Affairs</p> <p>Member of Board, Stichting INK (Instituut Nederlandse Kwaliteit) (Foundation Institute Netherlands Quality)</p> <p>Member, Redactieraad (Editorial Committee)</p>

	Management & Consulting
Bert Meerstadt	<p>Chairman of the Board of N.V. Nederlandse Spoorwegen (Netherlands Railways)</p> <p>Member of Supervisory Board, Lucas Bols</p> <p>Chairman of Board, Friends of Concertgebouw and Royal Concertgebouw orchestra</p> <p>Chairman of Marketing Advisory Board Rijksmuseum</p> <p>Chairman of Society for Prevention and Saving of Drowning Victims</p> <p>Chairman of Board Blinden-Penning Foundation for the Blind and Visually Impaired</p>
Marjan Oudeman	<p>Member of the Executive Committee of Akzo Nobel N.V.</p> <p>Member of Supervisory Board, N.V. Nederlandse Spoorwegen (Netherlands Railways)</p> <p>Member of Board of Directors of the Concertgebouw Foundation</p> <p>Governor of the National 4 and 5 May Committee</p>
Annemieke Roobeek	<p>Professor of Strategy and Transformation Management at Business Universiteit Nyenrode</p> <p>Director and owner of MeetingMoreMinds B.V. and Open Dialogue B.V.</p> <p>Professor of Strategy and Transformation Management at Business Universiteit Nyenrode and Director and owner of MeetingMoreMinds and Open Dialogue B.V.</p> <p>Chairperson of Netherlands Center for Science and Technology (NCWT) and NEMO – Science Center, Amsterdam</p> <p>Chairperson of INSID, Foundation for sustainability and innovation realisation directed by his Royal Highness Prince Carlos de Bourbon Parma</p> <p>Member of Supervisory Board, RAI Amsterdam Exhibition Centres</p> <p>Member of Supervisory Board, Abbott Healthcare</p>

	<p>Products B.V.</p> <p>Member of VROM-Council, responsible for a future outlook on Urbanism and Sustainability</p> <p>Chairperson of the governmental RLI Committee on the Transition towards Renewable Energy</p> <p>Member of Board, Foundation of the Medical Center of the Vrije Universiteit, Amsterdam</p>
Peter Wakkie	<p>Partner at Spinath & Wakkie B.V.</p> <p>Vice-Chairman of Supervisory Board, Wolters Kluwer N.V.</p> <p>Member of Supervisory Board, TomTom N.V.</p> <p>Member of Supervisory Board, BCD Holdings N.V.</p> <p>Member of Board, Vereniging (Association) Corporate Litigation</p> <p>Member of Board, VEUO</p> <p>Member of Monitoring Committee corporate governance code</p>

*Except for their principal functions in the Issuer or its subsidiaries, directors' other functions within the Issuer or its subsidiaries have not been included. Each member of the Supervisory Board is also member of the Supervisory Board of ABN AMRO Group N.V.

Conflict of interest and address information

There are no actual or potential conflicts of interest between the duties to the Issuer of the members of the managing board and the supervisory board set out above and their private interests and/or duties which are of material significance to the Issuer and any of such members.

The business address of the members of the managing board and the supervisory board is Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands.

5.10 Statutory auditors

The consolidated annual financial statements of ABN AMRO Group N.V. for the financial year ended 31 December 2010 (including the comparative 2009 financial statements) have been audited all without qualification by KPMG Accountants N.V. ("**KPMG**"), chartered accountants (*registeraccountants*). KPMG's address is P.O. Box 74500, 1070 DB Amstelveen, The Netherlands. The individual auditors of KPMG are members of NBA.

KPMG has given, and has not withdrawn, its consent to the inclusion of its report in this Registration Document in the form and context in which it is included.

6. OPERATING AND FINANCIAL REVIEW

This Operating and Financial Review includes a discussion and analysis of ABN AMRO's results of operations and financial condition for the years ended 2010 and 2009. This Review should be read in conjunction with the Annual Financial Statements 2010 (including summary of significant accounting policies).

The reported figures have been impacted by several items which are related to the demerger of ABN AMRO Bank from RBS N.V. and the separation of FBN from BNP Paribas Fortis and the integration of ABN AMRO Bank and FBN. For a better understanding of underlying trends, the 2009 and 2010 figures have been adjusted for these items. The analysis in this Chapter 6.1 is based on the underlying results. Reconciliation of the reported and underlying results is presented in Chapter 6.2. The financial confirmation included in Chapter 6.1 is unaudited. The reported results included in Chapter 6.2 have been audited. Both chapters are extracted from ABN AMRO Group N.V.'s Annual Report 2010.

The operating results of NEW HBU II N.V. and IFN Finance B.V. (sold together under the EC Remedy on 1 April 2010) and the operating results and transaction result upon the sale of Intertrust (sale completed on 29 December 2009), together the "divested activities", have been included in the segment Group Functions until the date of completion of the divestment. The operating results of Prime Fund Solutions are also included in Group Functions. The sale of Prime Fund Solutions was completed on 30 April 2011.

Certain figures in this chapter may not add up exactly due to rounding. In addition, certain percentages in this chapter have been calculated using rounded figures. Please also note that due to the integration, the current segmentation of reporting is still subject to small changes.

6.1 Underlying results

A. UNDERLYING INCOME STATEMENT ABN AMRO

<i>(in millions euros)</i>	<i>Full year 2010</i>	<i>Full year 2009</i>	<i>% change</i>
Underlying results			
Net interest income	4,905	4,268	15%
Non-interest income of which:			
<i>Net fee and commission income</i>	1,766	1,933	-9%
<i>Net trading income</i>	304	139	119%
<i>Results from financial transactions</i>	330	203	63%
<i>Share of result in equity accounted investments</i>	91	94	-3%
<i>Other income</i>	263	349	-25%
Non-interest income	2,754	2,718	1%
Operating income	7,659	6,986	10%
Operating expenses of which:			
Personnel expenses	2,533	2,648	-4%
Other operating expenses	2,802	2,591	8%
Operating expenses	5,335	5,239	2%
Loan impairments	837	1,585	-47%
Profit / (loss) before taxation	1,487	162	
Income tax expense	410	20	
Profit / (loss) for the period	1,077	142	
Assets Under Management (in EUR billion)	164.2	149.7	10%
Underlying cost/income ratio	70%	75%	
Risk Weighted Assets	116,328		
FTEs (year-end)	26,161	29,551	-11%

Underlying result of operations for the financial years ended 31 December 2010 and 31 December 2009

Profit for the period for 2010 increased to EUR 1,077 million (2009: EUR 142 million). The profit for the period rose due to a significant increase in the profitability of R&PB, a higher profit at C&MB and an improved, though still negative, result from Group Functions.

Operating income

Operating income was 10% higher year-on-year, due to a 15% increase in net interest income and almost stable non-interest income.

Net interest income

Net interest income increased primarily due to higher revenues of the loan portfolio and client deposits in R&PB and C&MB. Margins on savings deposits recovered as fixed-rate deposits with a high interest rate (as a result of tight market circumstances) matured in 2009 and were replaced by short-term variable-rate deposits. The volume of the mortgage portfolio remained fairly stable while margins improved. The loan portfolio of C&MB showed a clear increase.

Interest income breakdown

<i>(in millions)</i>	2010	2009
Interest income from:		
Cash and balances at central banks	102	65
Financial investments available for sale	745	665
Loans and receivables - banks	338	1,076
Loans and receivables - customers	10,900	12,088
Other	867	1,141
Total interest income	12,952	15,035

Total interest income decreased by 14% (or EUR 2,083 million) to EUR 12,952 million year-on-year. This decrease was mainly driven by the sale of EC Remedy (Loans and receivables to customers). This is partly compensated by higher interest income on the liquidity buffer.

Interest expense breakdown

<i>(in millions)</i>	2010	2009
Interest expenses from:		
Due to banks	592	1,370
Due to customers	3,041	4,422
Issued debt	2,088	2,184
Subordinated liabilities	343	450
Other	1,983	2,341
Total interest expense	8,047	10,767

Total interest expense decreased by 25% (or EUR 2,720 million) to EUR 8,047 million year-on-year. This decrease was mainly driven by the sale of the EC Remedy, (due to customers), and the shift from fixed-rate deposits with a high interest rate as a result of tight market circumstances to short-term variable-rate deposits.

Net fee and commission income

<i>(in millions)</i>	2010	2009
Net Fee and commission income from:		
Securities and custodian services	585	577
Reinsurance commissions and insurance and investment fees	94	93
Portfolio management and trust fees	432	490
Payment services	507	509
Guarantees and commitment fees	-74	13
Other service fees	222	251
Total net fee and commission income	1,766	1,933

Net fee and commission income decreased by 9% (or EUR 167 million) to EUR 1,766 million year-on-year mainly driven by an increase in fee and commission expenses in guarantees and commitments as a result of higher fees paid in 2010 to the Dutch State for credit protection (difference year-on-year of EUR 82 million) and the sale of Intertrust in December 2009 resulting in a decrease of EUR 129 million trust fees. The decrease was partially offset by increased net income from securities and custodian services from ABN AMRO Clearing, which benefited from the acquisition of the US activities and growth in Asia and higher net

fees and commissions in Private Banking as a result of the recovery of stock markets, resulting in increased Assets under Management⁸.

Net trading income

Net trading income increased by EUR 165 million year-on-year mainly due to an increased income from interest instruments trading and lower credit value adjustments losses (counterparty risk related to interest rate derivatives) in C&MB.

Results from financial transactions

Results from financial transactions increased by EUR 127 million year-on-year mainly driven by the gain on the buyback of subordinated debt (EUR 175 million pre-tax) and dividends, favourable revaluations and exits within the private equity portfolio compared to 2009. In 2009, result from financial transactions included a EUR 59 million gain on the buyback of covered bonds.

Operating expenses

Operating expenses increased by 2% year-on-year due to several large legal provisions and expenses (total EUR 305 million pre-tax) relating to international activities conducted in the past by C&MB and R&PB.

Personnel Expenses

Personnel expenses declined by 4% year-on-year reflecting the divestment of the EC Remedy and Intertrust activities.

The total number of full-time equivalents (FTEs) decreased by 11%, or 3,390, to 26,161 as per year-end 2010. This decline was due to outflow of staff ahead of and as a result of the integration (2,259) and the divested activities (1,131). The majority of the decline in FTEs was recorded in the fourth quarter of 2010 following the integration of 146 branches in The Netherlands.

Other Operating Expenses

Other operating expenses increased by 8% year-on-year due to legal provisions and expenses (total EUR 305 million) relating to international activities conducted in the past as outlined above. Operating expenses in 2009 included EUR 95 million costs incurred for the Dutch Deposit Guarantee Scheme and EUR 50 million of legal provisions and expenses.

R&PB benefited from the first synergies following the integration of 146 branches in The Netherlands. C&MB incurred an increase in operating expenses mainly due the start-up of several activities designed to rebuild both the product offering and the international network for servicing Dutch clients, Energy Commodities & Transportation and ABN AMRO Clearing, as well as a higher allocation of Group Function costs. Group Functions recorded lower expenses as a result of the divested activities.

⁸As of Q3 2010 AuM include assets of French activities (EUR 5.2 billion) previously not included.

The cost/income ratio improved to 70% (2009: 75%). Excluding the legal provisions and expenses and the gain on the buyback of own debt (both recorded in 2010), the cost/income ratio would have been 67% in 2010 compared with 73% in 2009.

Loan impairments and other credit risk provisions

Loan impairments decreased by 47% year-on-year. Loan impairments in R&PB decreased sharply, mainly in Private Banking International (including the International Diamond & Jewelry Group). Loan impairments on the mortgage portfolio, which is 58% of the total client loan portfolio, decreased year-on-year. C&MB recorded significantly lower loan impairments in Large Corporates & Merchant Banking and Business Banking. Loan impairments in Group Functions were significantly lower due to the divested activities.

B. BALANCE SHEET ABN AMRO GROUP

(in millions euros)

31 December 2010 31 December 2009

Cash and balances at central banks	906	4,368
Financial assets held for trading	24,300	20,342
Financial investments	20,197	20,763
Loans and receivables - banks	41,117	45,062
Loans and receivables - customers	275,755	280,729
Other	17,324	15,260
Total assets	379,599	386,524
Liabilities		
Financial liabilities held for trading	19,982	26,951
Due to banks	21,536	37,387
Due to customers	211,277	210,748
Issued debt	86,591	70,837
Subordinated liabilities	8,085	11,747
Other	20,016	19,899
Total liabilities	367,487	377,569
Equity attributable to the owners of the parent company	12,099	8,733
Equity attributable to non-controlling interests	13	222
Total equity	12,112	8,955
Total liabilities and equity	379,599	386,524

Total Assets

Total assets decreased by EUR 6.9 billion, from EUR 386.5 billion at 31 December 2009 to EUR 379.6 billion at 31 December 2010. Adjusted for the EC Remedy divestment, total assets increased from EUR 375.1 billion to EUR 379.6 billion (increase of EUR 4.5 billion).

Cash and balances at central banks

Cash and cash balances at central banks decreased by EUR 3.5 billion.

Financial assets held for trading

Financial assets held for trading increased by EUR 4.0 billion as a result of an increase in government bonds in the trading portfolio.

Financial investments

Financial investments decreased by EUR 566 million due to a reduction in the investment portfolio (mainly OECD government bonds) partly offset by increased volumes in our mortgage backed securities portfolio.

Loans and receivables - banks

Loans and receivables banks decreased by EUR 3.9 billion due mainly to a settlement of EUR 16.4 billion with RBS N.V. following the legal separation in the first half of 2010. This decrease was partly offset by higher securities borrowing transactions and increased volumes in clearing activities.

<i>Loans & receivables – customers</i> <i>(in millions)</i>	<i>31 December 2010</i>	<i>31 December 2009</i>
Government and official institutions	3,259	4,036
Residential mortgage	161,305	161,205
Fair value adjustment from hedge accounting	2,880	2,411
Consumer loans	14,210	14,258
Commercial loans	82,346	86,405
Reverse repurchase agreements	12,096	4,197
Securities borrowing transactions	2,243	10,622
Financial lease receivables	162	204
Factoring	1,540	1,512
Total	280,041	284,850
Less: loan impairment	-4,286	-4,121
Loans and receivables - customers	275,755	280,729

Loans and receivables customers decreased by EUR 5.0 billion. Adjusted for the EC Remedy divestment, Loans and receivables customers grew from EUR 270.2 billion to EUR 275.8 billion (increase of EUR 5.6 billion), mainly as a result of growth in the commercial loan portfolio and repurchase agreements of C&MB. This increase was partly offset by reduced volumes in securities borrowing transactions compared with 2009. The majority of Loans and receivables customers are prime residential mortgages, mainly Dutch, amounting to EUR 161.3 billion at the end of December 2010, almost unchanged compared with year-end 2009.

Total liabilities

Total liabilities decreased by EUR 10.1 billion. Adjusted for the EC Remedy divestment, total liabilities increased from EUR 366.1 to EUR 367.5 (increase of EUR 1.4 billion).

Financial liabilities held for trading

Financial liabilities held for trading decreased by EUR 7.0 billion, due chiefly to a decline in short security positions and partly offset by an increase in derivatives held for trading.

Due to banks

Due to banks decreased by EUR 15.9 billion as ECB funding was redeemed in full and securities lending transactions were significantly reduced.

Due to customers

<i>(in millions)</i>	<i>31 December 2010</i>	<i>31 December 2009</i>
Demand deposits	82,480	85,913
Saving deposits	69,763	67,966
Time deposits	39,522	49,151
Other deposits	544	188
Total deposits	192,309	203,218
Repurchase agreements	16,471	6,621
Securities lending transactions	1,968	566
Other borrowings	529	343
Total due to customers	211,277	210,748

Due to customers rose by EUR 0.5 billion. Adjusted for the EC Remedy divestment, Due to customers went up from EUR 201.3 billion to EUR 211.3 billion (increase of EUR 10.0 billion) mainly due to an increase in repurchase agreements.

The decrease in demand deposits was mainly due to the sale of the EC Remedy. This impact was partially offset by a shift from Time deposits to Savings deposits year-on-year, a general trend in the market. In addition, the Dutch State reduced its deposit with ABN AMRO with EUR 3 billion.

Issued debt securities

Issued debt showed an increase of EUR 15.8 billion, driven by continued financing initiatives undertaken to further lengthen maturities of wholesale funding and by prudent liquidity management.

Subordinated liabilities

<i>(in millions)</i>	<i>31 December 2010</i>	<i>31 December 2009</i>
Liability component of subordinated convertible securities	2,000	2,034
Other hybrid and Tier 1 liabilities		2,600
Other subordinated liabilities	6,085	7,113
Total subordinated liabilities	8,085	11,747

Subordinated liabilities decreased by EUR 3.7 billion, mainly as a result of the conversions of EUR 2.6 billion of mandatory convertible securities held by the Dutch State into Equity, the

buyback of a perpetual subordinated loan (upper Tier 2) of GBP 600 million, and the redemption of the remainder of EUR 87.5 million in outstanding securities of ABN AMRO Capital Finance Limited (previously called Fortis Capital Company Limited or FCC), a subsidiary of ABN AMRO.

Equity

Shareholders equity increased by EUR 3.4 billion to EUR 12.1 billion. This was primarily the result of the conversions of EUR 2.6 billion of mandatory convertible securities held by the Dutch State into equity, the remaining capital injection by the Dutch State of EUR 490 million (part of the capital actions agreed with the Dutch State in 2009), the replacement of EUR 210 million of preference shares of FBN by ABN AMRO Group, an increase of the available for sale reserve of EUR 259 million and the result over 2010 of EUR 414 million negative.

C. INCOME STATEMENT RETAIL & PRIVATE BANKING

<i>(in millions euros)</i>	<i>Full year 2010</i>	<i>Full year 2009</i>	<i>% change</i>
Underlying results			
Net interest income	3,430	3,118	10%
Non-interest income	1,335	1,222	9%
Operating income	4,765	4,340	10%
Operating expenses	2,821	2,877	-2%
Loan impairments	342	540	-37%
Profit / (loss) before taxation	1,602	923	74%
Income tax expense	411	258	60%
Profit / (loss) for the period	1,191	665	79%
Loans and receivables customers	185,782	187,738	-1%
Due to customers	125,011	126,126	-1%
Assets Under Management (in EUR billion)	164.2	149.7	10%
Underlying cost/income ratio	59%	66%	
Risk Weighted Assets	49,584		
FTEs (year-end)	11,132	12,580	-12%

Small and medium-sized enterprise clients of FBN were included in the results of R&PB until November 2010. As from that date, these results are included in C&MB. The full income statement effect of this transfer will show in 2011.

Underlying results of operations for the financial years ended at 31 December 2010 and 31 December 2009

Profit for the period increased by 79% to EUR 1,191 million in 2010 as a result of a sharp rise in revenues, a decrease in costs and lower impairments.

Operating income

Operating income advanced by 10% year-on-year to EUR 4,765 million as a result of an 10% increase in net interest income and a 9% rise in non-interest income. More than 70% of R&PB's operating income consists of net interest income.

Net interest income increased due to improved savings margins. Margins on saving deposits started to recover from the low levels in 2009 as low-margin fixed-rate deposits matured and were replaced by short-term variable-rate deposits with a higher margin. Margins on mortgages showed an increase in the first half of 2010.

The increase in non-interest income was due mainly to higher net fees and commissions, which accounts for more than 85% of non-interest income, as a result of a recovery of stock markets. This is reflected in higher Assets under Management⁹ of Private Banking Netherlands and International, which increased by EUR 14.5 billion to EUR 164.2 billion. In addition, EUR 50 million non-interest income from the joint venture with Delta Lloyd, previously included in Group Functions, was included in R&PB in 2010.

Operating expenses

Operating expenses decreased slightly despite legal provisions and expenses for the international Private Banking activities in 2010. This is the result of continued cost management combined with a reduction in the number of FTEs. The number FTEs declined by 1,448, or 12%, compared with 2009. The majority of the decline in FTEs was recorded in the fourth quarter of 2010 following the integration of 146 branches in The Netherlands.

The cost/income ratio improved to 59% from 66% as a result of a sharp rise in revenues and a decrease in costs.

Loan impairment and other credit provisions

Loan impairments decreased by 37%. Loan impairments in the Dutch mortgage portfolio, which represents 58% of the total loan book of ABN AMRO, declined modestly. A small increase in the consumer loan portfolio impairments was recorded in line with its volume growth. Loan impairments in 2009 included specific provisions for loan impairments in the Private Banking International portfolio.

Balance sheet

Loans and receivables and Due to Customers of R&PB decreased by EUR 2.0 billion and EUR 1.1 billion respectively, mainly as a result of the transfer of SME clients to C & MB in the last quarter of 2010 (impact EUR 1.5 billion on loans and EUR 2.8 billion on deposits).

Loans & receivables – customers

Excluding the above mentioned transfer, the loan portfolio of R&PB remained fairly stable in 2010. Both mortgage and consumer lending volumes increased marginally despite a more than 10% decline in volume of new Dutch mortgages in the past 12 months. The increase in consumer lending volumes occurred mainly in the second half of 2010 as a result of increased consumer spending.

⁹As of Q3 2010 AuM include assets of French activities (EUR 5.2 billion) previously not included.

Due to customers

Excluding the above mentioned transfer, R&PB deposits from clients increased by EUR 1.7 billion or 1%. After a steady increase in the first half of 2010 client deposits declined in the second half of the year. This is in line with the observed trend of reduced savings due to increased consumer spending in the second half of 2010 and Private Banking clients switching from deposits to investments. The overall market share in savings products remained stable.

D. INCOME STATEMENT COMMERCIAL & MERCHANT BANKING

<i>(in millions euros)</i>	<i>Full year 2010</i>	<i>Full year 2009</i>	<i>% change</i>
Underlying results			
Net interest income	1,589	1,513	5%
Non-interest income	1,086	919	18%
Operating income	2,675	2,432	10%
Operating expenses	1,997	1,592	25%
Loan impairments	518	872	-41%
Profit / (loss) before taxation	160	-32	
Income tax expense	-12	-75	-84%
Profit / (loss) for the period	172	43	
Loans and receivables customers	84,745	77,749	9%
Due to customers	76,679	61,216	25%
Assets Under Management (in EUR billion)			
Underlying cost/income ratio	75%	65%	
Risk Weighted Assets	61,379		
FTEs (year-end)	5,849	6,129	-5%

Small and medium-sized enterprise clients of FBN were included in the results of R&PB until November 2010. As from that date, these results are included in C&MB. The full income statement effect of this transfer will show in 2011.

Underlying results of operations for the financial years ended at 31 December 2010 and 31 December 2009

Profit for the period of C&MB was EUR 172 million compared with EUR 43 million in 2009. This resulted from lower loan impairments and higher operating income, and was partly offset by higher operating expenses.

Operating income

In 2010, operating income increased 10% or EUR 243 million to EUR 2,675 million. Net interest income was 5% higher than the previous year and non-interest income improved by 18%.

The increase in net interest income was mainly due to higher interest revenues in Business Banking and ECT (part of LC&MB). Business Banking benefited from higher margins on its

loan portfolio and client deposits, a trend similar to the development of R&PB, while ECT grew its loan portfolio by 7%. This increase was partly offset by lower interest income in Markets as a result of volatile market conditions and a decrease in equity derivatives activities.

Non-interest income increased by 18% to EUR 1,086 million from EUR 919 million in 2009. This was mainly a result of overall higher trading income in Markets in 2010, partially resulting from lower credit value adjustments losses (counterparty risk related to interest rate derivatives) year-on-year. Higher revenues were also recognised at ABN AMRO Clearing mainly driven by the incorporation of the US activities and growth in Asia. Further improvements in non-interest income compared to 2009 were recorded as a consequence of dividends, favourable revaluations and exits within the private equity portfolio (LC&MB).

Operating expenses

Operating expenses rose by 25% to EUR 1,997 million mainly due to legal provisions and expenses and a goodwill impairment of EUR 30 million. Excluding the legal provisions and expenses, operating expenses would still have shown a marked increase compared with the previous year. This is a result of higher staff costs at ABN AMRO Clearing (higher FTEs and incorporation of US activities), a higher allocation of Group Functions costs and costs related to the start-up of several activities designed to rebuild both the product offering and the international network for servicing Dutch clients.

The cost/income ratio increased from 65% to 75% in 2010 mainly due to the abovementioned legal provisions and expenses. Excluding these, the underlying cost/income ratio would have increased only marginally.

Loan impairment and other credit provisions

Loan impairments declined to EUR 518 million, down 41% year-on-year. The most significant improvements were in the Business Banking and LC&MB portfolios.

The tax rate was low mainly due to tax-exempt gains on exits in the private equity portfolios and certain local tax regulations.

Balance sheet developments

Loans and receivables to Customers increased by more than EUR 7 billion or 9% year-on-year, mainly driven by a considerable growth in the Large Corporates and ECT loan portfolio and - to a lesser extent - the transfer of SME business volumes from R&PB to C&MB in the last quarter of 2010 (impact EUR 1.5 billion on loans and EUR 2.8 billion on deposits).

Due to Customers rose by EUR 15 billion or 25%. This increase was driven mainly by a sharp rise in securities financing transactions with clients compared to 2009 partially as a result of a heightened focus on core clients and the above-mentioned transfer of SME deposits from R&PB to C&MB in the last quarter of 2010.

E. INCOME STATEMENT GROUP FUNCTIONS

<i>(in millions euros)</i>	<i>Full year 2010</i>	<i>Full year 2009</i>	<i>% change</i>
Underlying results			
Net interest income	-111	-375	-70%
Non-interest income	330	589	-44%
Operating income	219	214	2%
Operating expenses	517	770	-33%
Loan impairments	-23	173	
Profit / (loss) before taxation	-275	-729	-62%
Income tax expense	11	-163	
Profit / (loss) for the period	-286	-566	-49%
Risk Weighted Assets	5,365		
FTEs (year-end)	9,180	10,842	-15%

The operating results of the EC Remedy activities, the operating results and the transaction result upon the sale of Intertrust, and the operating results of Prime Fund Solutions have been included in the segment Group Functions.

The majority of the costs of Group Functions are allocated to the businesses. The results of Group Functions include the results of ALM/Treasury.

Underlying results of operations for the financial years ended at 31 December 2010 and 31 December 2009

Loss for the period improved from EUR 566 million negative to EUR 286 million negative in 2010. This improvement was mainly driven by the increase in net interest income. Loss for the period 2010, includes a EUR 130 million net-of-tax gain on the buy-back of own debt.

Operating income

Operating income increased by EUR 5 million to EUR 219 million in 2010. Net interest income went up by EUR 264 million and non-interest income decreased by EUR 259 million.

Net interest income improved by EUR 264 million to EUR 111 million negative year-on-year, rising mainly on the back of an increase of the mismatch result. In addition, in 2009 the replacement of short term funding temporarily provided by the Dutch State at the end of 2008 was realised at a high cost due to the shortage of liquidity in that period. In 2010, higher liquidity costs were charged to the businesses. The improvement in net interest income was achieved in spite of higher funding costs and the negative impact in 2010 of the divestment of activities. Divested activities recorded net interest income of EUR 68 million in 2010 compared with EUR 268 million in 2009. In addition, interest costs for the EUR 2.6 billion of mandatory convertible securities issued to the Dutch State amounted to EUR 65 million in 2010 compared to EUR 38 million in 2009. These securities converted into Equity on 1 April 2010.

Non-interest income decreased by EUR 259 million to EUR 330 million in 2010. This decrease can mainly be attributed to the divested activities. The 2009 results included EUR 302 million of non-interest income (including a book gain on the sale of Intertrust of EUR 81 million) from the divested activities, compared with EUR 26 million in 2010. In addition, fees paid for credit protection bought from the Dutch State on a portfolio of own originated residential mortgages (terminated on 31 October 2010) were higher year-on-year. These

costs amounted to EUR 138 million in 2010 compared to EUR 56 million in 2009. The 2009 results also included a large gain (EUR 84 million) on the sale of part of the investment portfolio. Lastly, non-interest income from the joint venture with Delta Lloyd (EUR 56 million) was booked in Group Functions in 2009. As from 2010, this is recorded in R&PB. The decline was partly offset by a EUR 175 million pre-tax gain on the buy-back of GBP 600 million of own debt (an Upper Tier 2 instrument), a release of part of the obligation for the Credit Umbrella (the financial guarantee that covers part of the potential credit losses on the EC Remedy assets) of EUR 50 million and improved results on various hedge accounting programmes.

Operating expenses

Operating expenses decreased by EUR 253 million to EUR 517 million in 2010 due to the divested activities (operating expenses were EUR 429 million in 2009 and EUR 79 million in 2010) which were partially offset by higher costs (such as central functions and IT infrastructure) related to the set-up of two stand-alone banks in the first half of 2010. The total costs for the Dutch Deposit Guarantee Scheme in 2009 were EUR 95 million, of which EUR 71 million was included in the operating expenses of Group Functions. The remaining EUR 24 million was booked in the business.

Loan impairment and other credit provisions

Loan impairments decreased by EUR 196 million to a release of EUR 23 million due mainly to the divested activities.

6.2 Reconciliation reported to underlying results

Reported net loss for the period 2010 was EUR 414 million, due to the forced sale under the EC Remedy (EUR 812 million negative net-of-tax) and separation and integration costs (EUR 679 million net-of-tax in total). Reported net profit for the period 2009 was EUR 274 million.

The reported figures have been impacted by several items related to the separation of ABN AMRO Bank from RBS N.V., the separation of FBN from BNP Paribas Fortis and the integration of ABN AMRO Bank and FBN. For a better understanding of underlying trends, the 2009 and 2010 figures have been adjusted for these items. Below is an overview of the separation and integration-related items.

	<i>(in millions euros)</i>		<i>Full year</i>		<i>Full year</i>	
			<i>2010</i>		<i>2009</i>	
		<i>Gross</i>	<i>Net</i>	<i>Gross</i>	<i>Net</i>	
	<i>R&PB</i>	-36	-27	-27	-21	
	<i>C&MB</i>			-22	-16	
	<i>Group Functions</i>	-105	-78	-188	-140	
Total separation costs		-141	-105	-237	-177	
	<i>R&PB</i>	-39	-29	-3	-2	
	<i>C&MB</i>	-9	-7	-3	-2	
	<i>Group Functions</i>	-271	-202	-67	-50	
	<i>Restructuring provisions</i>	-451	-336			
Total integration costs		-770	-574	-73	-54	
Closing EC Remedy		-845	-812			
Exceptional gain on cash settlement FCC				363	363	
Total separation and integration related items		-1,756	-1,491	53	132	

A more detailed reconciliation of the reported and underlying results is given below.

ABN AMRO GROUP

<i>(in millions euros)</i>	<i>Full year</i>		<i>Full year</i>		<i>Full year</i>	
	<i>2010</i>		<i>2010</i>		<i>2009</i>	
	<i>Reported</i>	<i>Separation/ integration related costs</i>	<i>Underlying</i>	<i>Reported</i>	<i>Separation/ integration related costs</i>	<i>Underlying</i>
Net interest income	4,905		4,905	4,268		4,268
Non-interest income	1,892	-862	2,754	3,081	363	2,718
Operating income	6,797	-862	7,659	7,349	363	6,986
Operating expenses	6,229	894	5,335	5,549	310	5,239
Loan impairments	837		837	1,585		1,585
Profit / (loss) before taxation	-269	-1,756	1,487	215	53	162
Income tax expense	145	-265	410	-59	-79	20
Profit / (loss) for the period	-414	-1,491	1,077	274	132	142
Assets Under Management (in EUR billion)	164.2		164.2	149.7		149.7
Cost/income ratio	92%		70%	76%		75%
Risk Weighted Assets	116,328		116,328			
FTEs (year-end)	26,161		26,161	29,551		29,551

The following adjustments were made to the 2010 figures:

- EC Remedy: EUR 862 million negative in non-interest income, a release of EUR 17 million in operating expenses (EUR 845 million pre-tax in total) and a EUR 33 million tax credit. This results in a total negative transaction result of EUR 812 million net-of-tax.
- Other separation and integration Costs: EUR 911 million pre-tax in operating expenses (EUR 679 million net-of-tax) consisting of:
 - EUR 141 million pre-tax separation costs (EUR 105 million net-of-tax);
 - EUR 319 million pre-tax integration costs (EUR 238 million net-of-tax);

- EUR 451 million restructuring personnel and housing provision (EUR 336 million net-of-tax). The results of the first half of 2010 included a provision of EUR 469 million, of which EUR 18 million was released again in the fourth quarter of 2010.

The EUR 894 million of operating expenses adjustment in 2010 in the table above is the total of EUR 911 million of separation and integration costs and the release of EUR 17 million of the EC Remedy.

The following adjustments were made to the 2009 figures:

- Exceptional gain following the FCC settlement (ABN AMRO Capital Finance Ltd, previously named Fortis Capital Company Ltd): EUR 363 million pre-tax and net-of-tax;
- Separation and integration costs: EUR 310 million pre-tax (EUR 231 million net-of-tax).

RETAIL & PRIVATE BANKING

<i>(in millions euros)</i>	<i>Full year 2010 Reported</i>	<i>Separation/ integration related costs</i>	<i>Full year 2010 Underlying</i>	<i>Full year 2009 Reported</i>	<i>Separation/ integration related costs</i>	<i>Full year 2009 Underlying</i>
Net interest income	3,430		3,430	3,118		3,118
Non-interest income	1,335		1,335	1,222		1,222
Operating income	4,765		4,765	4,340		4,340
Operating expenses	2,896	75	2,821	2,907	30	2,877
Loan impairments	342		342	540		540
Profit / (loss) before taxation	1,527	-75	1,602	893	-30	923
Income tax expense	392	-19	411	250	-8	258
Profit / (loss) for the period	1,135	-56	1,191	643	-22	665
Cost/income ratio	61%		59%	67%		66%

COMMERCIAL & MERCHANT BANKING

<i>(in millions euros)</i>	<i>Full year 2010 Reported</i>	<i>Separation/ integration related costs</i>	<i>Full year 2010 Underlying</i>	<i>Full year 2009 Reported</i>	<i>Separation/ integration related costs</i>	<i>Full year 2009 Underlying</i>
Net interest income	1,589		1,589	1,513		1,513
Non-interest income	1,086		1,086	919		919
Operating income	2,675		2,675	2,432		2,432
Operating expenses	2,006	9	1,997	1,617	25	1,592
Loan impairments	518		518	872		872
Profit / (loss) before taxation	151	-9	160	-57	-25	-32
Income tax expense	-14	-2	-12	-81	-6	-75
Profit / (loss) for the period	165	-7	172	24	-19	43
Cost/income ratio	75%		75%	66%		65%

GROUP FUNCTIONS

(in millions euros)	Full year 2010 Reported	Separation/ integration related costs	Full year 2010 Underlying	Full year 2009 Reported	Separation/ integration related costs	Full year 2009 Underlying
Net interest income	-111		-111	-375		-375
Non-interest income	-532	-862	330	952	363	589
Operating income	-643	-862	219	577	363	214
Operating expenses	1,327	810	517	1,025	255	770
Loan impairments	-23		-23	173		173
Profit / (loss) before taxation	-1,947	-1,672	-275	-621	108	-729
Income tax expense	-233	-244	11	-228	-65	-163
Profit / (loss) for the period	-1,714	-1,428	-286	-393	173	-566

6.3 First quarter 2011 update¹⁰

6.3.1 Income statement of ABN AMRO Group

The reported profit for the first quarter of 2011 was EUR 539 million and includes separation and integration-related costs of EUR 44 million net-of-tax.

With the publication of the first-half 2010 results, it was announced that the reported figures were impacted by several items related to the demerger of ABN AMRO Bank from RBS N.V., the separation of FB(N) from BNP Paribas Fortis SA/NV and the integration of ABN AMRO Bank Standalone and FBN.

For a better understanding of underlying trends, the reported 2011 and 2010 figures have been adjusted for these separation and integration-related items. The analysis presented in this section is based on the underlying results unless otherwise indicated. A reconciliation of reported results to underlying results is reproduced in the table below.

Income Statement

in EUR million	Reported			Separation & integration- related costs			Underlying		
	Q1 2011	Q1 2010	Q4 2010	Q1 2011	Q1 2010	Q4 2010	Q1 2011	Q1 2010	Q4 2010
Net interest income	1,264	1,188	1,234	0	0	0	1,264	1,188	1,234
Non-interest income	768	647	722	0	0	-50	768	647	772
Operating income	2,032	1,835	1,956	0	0	-50	2,032	1,835	2,006
Operating expenses	1,236	1,389	1,503	60	85	111	1,176	1,304	1,392
Loan impairments	125	79	257	0	0	0	125	79	257
Operating profit before tax	671	367	196	-60	-85	-161	731	452	357
Income tax	132	117	-17	-16	-21	-65	148	138	48
Profit for the period	539	250	213	-44	-64	-96	583	314	309
<i>Attributable to:</i>									
Non-controlling interests	6	1	0				6	1	0
Owners of the company	533	249	213	-44	-64	-96	577	313	309

¹⁰ All figures in this section are unaudited. Certain figures in this section may not add up exactly due to rounding. In addition, certain percentages in this section have been calculated using rounded figures.

Separation and integration related costs

Separation and integration related costs						
(in EUR mln)	First quarter 2011		First quarter 2010		Fourth quarter 2010	
	Gross	Net	Gross	Net	Gross	Net
Separation costs	1	1	47	35	40	30
Integration costs	59	43	38	29	88	66
Closing EC Remedy	0	0	0	0	33	0
Total	60	44	85	64	161	96

Underlying results

Underlying results					
in EUR million	Q1 2011	Q1 2010	% change	Q4 2010	% change
Net interest income	1,264	1,188	6%	1,234	2%
Non-interest income	768	647	19%	772	-1%
Operating income	2,032	1,835	11%	2,006	1%
Operating expenses	1,176	1,304	-10%	1,392	-16%
Loan impairments	125	79	58%	257	-51%
Profit before taxation	731	452	62%	357	105%
Income tax expenses	148	138	7%	48	208%
Profit for the period	583	314	86%	309	89%
Assets Under Management (in EUR bln)	167.9	157.8	6%	164.2	2%
Underlying cost/income ratio	58%	71%		69%	
Risk-Weighted Assets	109.4			116.3	-6%
FTEs (end of period)	25,862	29,302	-12%	26,161	-1%

6.3.2 Underlying results first quarter 2011 compared with first quarter 2010

Profit for the first quarter of 2011 amounted to EUR 583 million compared with EUR 314 million in the first quarter of 2010. Net profit grew thanks to good performances by our businesses, cost containment and impairments remained low. The first-quarter 2011 results also benefited from several favourable items resulting from a further harmonisation of policies, and gains on sales of participating interests and buildings.

Profit for the first quarter of 2010 was negatively impacted by interest payments on two capital instruments which have now converted into equity and fees paid on a credit protection instrument (totalling EUR 125 million net of tax) as well as litigation provisions. The first quarter of 2010 also included a positive net result of EUR 51 million from activities now divested¹¹.

- Operating income increased by 11%, or EUR 197 million.

The increased focus on clients, especially during and after the integration of branches in The Netherlands in 2010, has resulted in a rise in customer satisfaction in R&PB compared with a year ago and limited outflow of clients and deposits following the integration of branches. The R&PB loan portfolio showed a modest decline due partly to

¹¹ The divested activities (NEW HBU II N.V. and IFN Finance B.V., sold together under the EC Remedy on 1 April 2010) were included in the results until the date of completion of the sale.

a change in accounting treatment of the mortgage loan portfolio. The percentage of NHG-guaranteed new production mortgage loans continued to be significantly higher than in previous years. New mortgage loan production was at lower margins due to rising interest rates. Total deposits declined modestly, but margins were slightly higher.

C&MB started to reap the benefits from the expansion in 2010 of the product offering and rebuilding of the network serving Dutch clients in The Netherlands and abroad. The loan portfolio (excluding securities financing) showed double-digit growth, especially in ECT and Clearing, two of our growth areas. Furthermore, C&MB benefited from gains on sales of participating interests.

Group Functions/ Other benefited from the conversion of two capital instruments and a call of a credit protection instrument in 2010. The costs of these in the first quarter of 2010 amounted to EUR 100 million (negative net interest) and EUR 42 million (negative non-interest) respectively. The divested activities contributed EUR 94 million in 2010.

- Operating expenses decreased by 10%, or EUR 128 million, due to a reduction in the number of staff and the divestment of activities (EUR 76 million). The total number of full-time equivalents ("**FTEs**") came down by 3,440 year-on-year, due to the divestment of activities in 2010 (1,132 FTEs) and as a result of the integration of the retail branch network in The Netherlands in the second half of 2010. The integration of branches marked the first stage of a period of integration which will continue until the end of 2012 and which should structurally lower the cost base of the bank. Higher pension costs and a wage increase in 2011 partly offset the positive cost development. Operating expenses in the first quarter of 2010 included provisions for litigation.
- The cost/income ratio improved by 13 percentage points to 58%, with client revenues growing further on the back of a relatively benign environment in the first quarter, several favourable items and costs remaining under control, indicating that synergies generated by the integration have started to have a positive impact on R&PB.
- Loan impairments increased by EUR 46 million. Excluding a release of loan provisions for the divested activities of EUR 51 million, loan impairments were slightly lower compared with the first quarter of 2010. R&PB recorded lower impairments within the consumer loan portfolio and some releases within the Private Banking portfolio. Loan impairments of C&MB were somewhat higher as additional loan provisions in Corporate Clients were only partly offset by releases in Large Corporates & Merchant Banking and lower provisions in Business Banking (SME banking).

6.3.3 Underlying results first quarter 2011 compared with the fourth quarter 2010

Underlying results

in EUR million	Q1 2011	Q4 2010	% change
Net interest income	1,264	1,234	2
Non-interest income	768	772	-1

in EUR million	Q1 2011	Q4 2010	% change
Operating income.....	2,032	2,006	1
Operating expenses	1,176	1,392	-16
Loan impairments.....	125	257	-51
Profit before taxation	731	357	105
Income tax expenses	148	48	208
Profit for the period.....	583	309	89
Assets Under Management (in EUR bln).....	167.9	164.2	2
Underlying cost/income ratio	58%	69%	
Risk-Weighted Assets	109.4	116.3	-6
FTEs (end of period)	25,862	26,161	-1

Profit for the first quarter of 2011 amounted to EUR 583 million compared with EUR 309 million in the previous quarter. The increase in profitability quarter-on-quarter was due to a sharp decline in operating expenses, which were relatively high in the previous quarter, several favourable items and lower loan impairments.

- Operating income increased by 1%, or EUR 26 million.

The mortgage loan portfolio of R&PB showed a marginal decline, partly due to a change in accounting treatment. New mortgage loan production was slightly lower compared with the previous quarter and amounted to EUR 2.0 billion. Margins on savings products held up well in the first quarter but are expected to come under pressure going forward due to fiercer competition in The Netherlands and rising interest rates. Assets under Management of Private Banking increased by 2%.

Growth of the C&MB loan portfolio, mainly in Large Corporates & Merchant Banking (including ECT) and Clearing resulted in higher net interest income. Operating income also improved compared with the previous quarter due to increased client activity as well as some gains on the sale of participating interests.

Group Functions/ Other was positively impacted by some favourable items resulting from further harmonisation of policies, and gains on sales of buildings. The fourth quarter of 2010 included interest costs for a capital instrument and fees paid on a credit protection instrument (totalling EUR 40 million). These costs will not recur as from 2011.

- Operating expenses decreased by 16%, or EUR 216 million. Costs are traditionally slightly higher in the final quarter, and fourth-quarter operating expenses also included impairments of goodwill (totalling EUR 54 million) and legal provisions and expenses. Personnel costs decreased as the number of FTEs in R&PB and Group Functions/ Other came down.
- The cost/income ratio came to 58% and was impacted by lower costs and the abovementioned favourable items.
- Loan impairments decreased by EUR 132 million partly due to a seasonal effect, as loan impairments are generally higher in the final quarter and lower in the first. This trend was

reflected both in R&PB (especially in Private Banking) and in C&MB. C&MB saw some releases within the LC&MB portfolio and lower impairments in the other client portfolios. Although we expect loan impairments to increase in the remainder of the year, loan impairments for full-year 2011 are expected to be lower than in 2010.

- The total number of FTEs declined by 299 as part of the ongoing integration. Staff reductions occurred mainly at R&PB following the closing of branches in 2010 and in Group Functions/ Other. The number of FTEs in C&MB rose slightly due to continued efforts to expand the product offering and growth of the business.

6.3.4 Balance sheet developments in the first quarter 2011

Balance Sheet

in EUR million	31 March 2011	31 December 2010
Cash and balances at central banks	886	906
Financial assets held for trading	27,586	24,300
Financial investments	17,314	20,197
Loans and receivables – banks	44,938	41,117
Loans and receivables – customers	280,157	275,755
Other	16,327	17,324
Total Assets	387,208	379,599
Financial liabilities held for trading	20,966	19,982
Due to banks	25,692	21,536
Due to customers	213,580	211,277
Issued debt	88,242	86,591
Subordinated liabilities	8,001	8,085
Other	17,884	20,016
Total Liabilities	374,365	367,487
Equity attributable to the owners of the parent company	12,824	12,099
Equity attributable to non-controlling interests	19	13
Total Equity	12,843	12,112
Total Equity and Liabilities	387,208	379,599

The securities financing activities (part of C&MB) have a considerable impact on balance sheet developments throughout the year given the nature of this business. The effects of these activities are reflected in Financial assets and financial liabilities held for trading, Loans and receivables (banks and customers), Due to banks and Due to customers.

Total assets grew by EUR 7.6 billion due mainly an increase in securities financing activities.

Financial investments recorded a EUR 2.9 billion decrease, due mainly to a maturing transaction.

Loans and receivables banks increased by EUR 3.8 billion due to securities financing activities, partly offset by a decrease in interest-bearing deposits held with the Dutch Central Bank.

Loans and receivables customers were EUR 4.4 billion higher. The C&MB loan portfolio grew further, mainly in LC&MB (including ECT) and Clearing, and there was an increase in securities financing activities. The loan book of R&PB showed a marginal decline. This was the result of a slight decrease in the mortgage loan portfolio, due partly to a change in accounting treatment. The majority of Loans and receivables customers are prime residential mortgage loans, mainly Dutch, amounting to EUR 159.5 billion at 31 March 2011.

Total liabilities increased by EUR 6.9 billion due mainly to an increase in securities financing activities.

Due to banks increased by EUR 4.2 billion due to securities financing transactions. Excluding the latter, Due to banks fell slightly.

The increase in Due to customers can be explained by the securities financing activities. Client deposits were marginally lower as a result of higher consumer spending.

Issued debt increased by EUR 1.7 billion on a net basis as a result of new issuances, liability management transactions and maturing of debt.

Shareholders' equity increased by EUR 0.7 billion mainly as a result of the profit for the first quarter.

6.3.5 Capital Management

ABN AMRO is well capitalised, and the core Tier 1 capital ratio, Tier 1 capital ratio and total capital ratio amounted to 11.3%, 13.8% and 17.9% respectively.

Regulatory capital

in EUR bln	31 March 2011	31 December 2010
Shareholder's Equity	12.8	12.1
Other	-0.4	0.0
Core Tier 1 capital	12.4	12.1
(Non-) Innovative Capital Instruments	2.8	2.7
Tier 1 Capital	15.2	14.8
Sub-Debt (Tier 2)	4.8	4.9
Other	-0.5	-0.4
Total Capital	19.5	19.3
Risk Weighted Assets	109.4	116.3
Core Tier 1 ratio	11.3%	10.4%
Tier 1 ratio	13.8%	12.8%
Total Capital ratio	17.9%	16.6%

Until Basel II policies and models for determining the risk-weighted assets ("**RWA**") and regulatory capital are fully harmonised, the reported Basel II capital ratios are combined pro forma capital ratios based on the consolidated IFRS equity figures.

Change in capital

Regulatory capital increased from EUR 19.3 billion at year-end 2010 to EUR 19.5 billion in the first quarter of 2011, an increase of EUR 198 million. The increase in capital mainly relates to net profit attributable to the owners of the company in the first quarter of 2011 (EUR 533 million) of which 60% is to be retained. The amount of subordinated Tier 2 liabilities decreased with EUR 84 million in the first quarter of 2011 mainly due to currency movements.

Change in RWA

The reduction in RWA from EUR 116.3 billion at year-end 2010 to EUR 109.4 billion at the end of the first quarter of 2011 is mainly due to harmonisation and integration of the Basel II models.

Basel III

The following calculations can be made applying the currently available Basel III rules communicated by the BIS to the first-quarter 2011 figures:

- Applying 1 January 2013 rules (expected start date): Common Equity Tier 1 ratio would amount to 10.6%, Tier 1 ratio to 12.7% and total capital ratio to 13.5%;
- Applying full phase-in rules: Common Equity Tier 1 ratio would amount to 9.4% and all other Tier 1 and Tier 2 capital would be phased out.

Basel III, as published by BIS, sets a minimum requirement for a leverage ratio of 3% applicable as from 2018. ABN AMRO's first quarter 2011 leverage ratio equalled 3.1%.

6.3.6 Liquidity and funding

The bank benefits from core retail funding and reasonably diversified wholesale funding sources. Management is focused on further extending the funding maturities and diversifying the funding profile in the medium term.

Liquidity parameters

in EUR billion	31 March 2011	31 December 2010
Loan-to-deposit ratio	135%	135%
Long term funding issued YtD	9.3	26.3
Available Liquidity buffer.....	30.6	47.9

The loan-to-deposit ratio remained unchanged at 135% on 31 March 2011. A liquidity buffer is retained as a safety cushion in the event of severe liquidity stress. The liquidity buffer amounted to EUR 31 billion on 31 March 2011, a decrease of EUR 17 billion compared with 31 December 2010. This decline is to a large extent temporary and relates to certain retained RMBS notes which recently became ineligible under new legislation. These notes are currently being restructured.

In the first quarter of 2011 ABN AMRO issued EUR 9.3 billion of long-term funding predominantly in senior unsecured (EUR 3.6 billion) and covered bonds (EUR 4.5 billion).

6.3.7 Sovereign and sovereign-guaranteed exposures

The exposures to European governments and government-related entities did not change materially compared to previous quarters. These exposures include debt issued by central and local governments and debt which is guaranteed by a central government.

Total exposure to sovereign debts of Portugal (EUR 0.2 billion), Ireland (EUR 0.1 billion) Spain (EUR 0.1 billion), and Greece (no exposure) was 0.1% of the balance sheet total. Total exposure to sovereign guaranteed debt of these countries was EUR 1.4 billion (Greece only), which is 0.4% of the balance sheet total. All data are end of March 2011 data. The exposure to Greece was allocated to ABN AMRO during the separation process and is the result of transactions entered into in 2000.

Both the Greek and Portuguese exposures are recorded in Loans and receivables customers (at amortised cost). No impairments have been booked as these loans continued to perform. The Portuguese position was redeemed at the end of April 2011. The Spanish and Irish exposures are part of the Financial investment portfolio and changes in value have been recognised either in the income statement or in equity.

7. TREND INFORMATION

7.1. Legal and arbitration proceedings

(i) Conversion of Mandatory Convertible Securities

On 7 December 2007, FBNH (which was legally succeeded by ABN AMRO Bank N.V. on 1 July 2010), Fortis Bank SA/NV, Fortis SA/NV (renamed Ageas SA/NV) and Fortis N.V. (renamed Ageas N.V.) issued EUR 2 billion of Mandatory Convertible Securities ("**MCS**").

The MCS matured on 7 December 2010 and converted into shares issued by Ageas pursuant to the applicable terms and conditions. Coupons on the securities were payable semi-annually, in arrears, at a rate of 8,75% annually. On 7 December 2010, the final semi-annual coupon was paid.

Prior to the issuance of the MCS, the four co-issuers entered into a Four Party Agreement, which describes the former intercompany obligations of the different parties with regard to the MCS. This includes – in ambiguous language - the contractual obligation for FBNH to issue to Fortis SA/NV and Fortis N.V. an undetermined number of shares in its ordinary capital in consideration for the issue of shares by the latter parties to the holders of the securities upon conversion of the MCS. According to Ageas, the aforesaid contractual obligation has become enforceable due to the conversion of the MCS on 7 December 2010.

On 3 October 2008 the Dutch State acquired a controlling interest in FBNH. The Dutch State is of the opinion that the terms and conditions of the Term Sheet of 3 October 2008 includes a full and final release of the obligations, if any, of FBNH (and therefore also of the Issuer as its legal successor) under the Four Party Agreement. In addition, the Dutch State argues that the issue of shares to Ageas would not be consistent with the clear objective of the parties to the Term Sheet to transfer 100% ownership of FBNH to the Dutch State.

On 3 December 2010, the Dutch State lodged an attachment on the purported claim of Ageas under the Four Party Agreement. As evidenced by the attachment, the Dutch State strongly contests Ageas' position on the purported claim.

On 28 December 2010, Ageas initiated court proceedings in The Netherlands in which Ageas has claimed from ABN AMRO Group and the Issuer ordinary shares with a value of EUR 2 billion. Alternatively, Ageas has claimed monetary damages in the amount of EUR 2 billion. The Dutch State will join the court proceedings as a party.

Since Ageas and the Dutch State have a different opinion whether the 3 October 2008 transaction included a full and final release of Ageas' purported claim, ABN AMRO Group and the Issuer will contest in court the claim of Ageas. Moreover, since the wording of the Four Party Agreement fails to unambiguously support (the value of) Ageas' purported claim, both ABN AMRO entities have adopted alternative defences under which the purported claim of Ageas, if upheld, could be satisfied by the issue of either (i) one ordinary share to each of ageas SA/NV and ageas N.V. to perfect the contemplated conversion of the MCS into equity, or (ii) the issue of ordinary shares to Ageas up to a value equal to the market value of the shares issued by Ageas upon conversion (approx EUR 200 million). ABN AMRO

Group and the Issuer strongly contest the purported obligation to pay Ageas any compensation in cash.

Given the complexity of this matter, it is impossible for ABN AMRO to predict the outcome of the pending court case, although the risk that the purported claim, if upheld, would be awarded in cash is in any event deemed small. For the same reason it is impossible to determine the fair value of this liability in a reliable way.

The liability under the Four Party Agreement does not qualify for derecognition from ABN AMRO's balance sheet under IFRS.

Until it is certain that ABN AMRO is legally released from the obligations, if any, under the Four Party Agreement as part of the agreements in respect of this transaction, derecognition of the liability from the balance sheet as a result of extinguishment of aforementioned obligations is not permitted by IFRS.

Under IFRS these obligations are required to be classified as a liability instead of equity since the number of shares to be issued by ABN AMRO Group or the Issuer, if any, for conversion of the liability is unclear as the contract does not stipulate a fixed amount of shares to be delivered.

In accordance with IFRS requirements the liability has therefore been retained in the balance sheet as at 31 December 2010.

(ii) Redemption of preference shares

The ABN AMRO Capital Finance Ltd preference shares were issued in 1999. ABN AMRO Capital Finance Ltd is a wholly-owned subsidiary. On 1 January 2010, and following the cash settlement of 29 June 2009, a number of 87,489 of remaining class A1 preference shares were outstanding with a total nominal value of EUR 87,489,000.

On July 1 2010, the class A1 preference shares were reclassified from Tier 1 to upper Tier 2 capital. On 16 August 2010 an announcement was made to call for redemption of all remaining outstanding class A1 preference shares on the dividend payment date of 29 September 2010.

Ageas initiated legal proceedings against ABN AMRO Capital Finance Ltd, ABN AMRO Bank N.V. and the Dutch State claiming EUR 363 million compensation which Ageas was liable for on the cash settlement date. These proceedings are pending. In an initial summary hearing on 25 June 2009 the court ruled in favour of all claims against Ageas. ABN AMRO Capital Finance Ltd and ABN AMRO Bank N.V. continue to hold the opinion that Ageas is not entitled to any compensation.

(iii) Madoff fraud

ABN AMRO Bank, certain of its subsidiaries and some of their client funds had exposure to funds that suffered losses (in some cases, significant losses) as a result of the Madoff fraud. In some instances, ABN AMRO Bank and/or a subsidiary made collateralised loans to client funds that had exposure to Bernard L. Madoff Investment Securities (BLMIS). In other instances, a subsidiary of ABN AMRO Bank entered into total return swap transactions with

client funds that were exposed to BLMIS and also purchased reference portfolio interests in funds that were exposed to BLMIS. If those BLMIS exposed funds remain impaired, ABN AMRO Bank estimates that its and its subsidiaries' losses could amount to EUR 922 million as provisionally provided for in 2008. In addition, certain subsidiaries of ABN AMRO Bank provided other services (including custodial and administration services) to client funds that had exposure to BLMIS. The provision of such services has resulted in a number of legal claims, including by BLMIS' trustee in bankruptcy (Irving Picard), and liquidators of certain funds, as they pursue legal actions in attempts to recover payments made as a result of the Madoff fraud and/or to make good their alleged losses. ABN AMRO Bank's subsidiaries are defending themselves in these proceedings to which they are defendants. In light of the preliminary status of those claims and other arrangements that may mitigate litigation exposure, it is not possible to estimate the total amount of ABN AMRO Bank's and its subsidiaries' potential liability, if any. ABN AMRO Bank and its relevant subsidiaries are continuing to investigate and implement strategies for recovering the losses suffered. A total amount of EUR 16 million (exclusive of costs) was recovered in the first half of 2009. ABN AMRO Bank and its relevant subsidiaries continue to take all reasonable steps to mitigate any further negative effects from the Madoff fraud.

In addition, the Issuer is involved in a number of governmental, legal and arbitration proceedings in the ordinary course of its business in a number of jurisdictions. However, on the basis of information currently available, and having taken legal counsel with advisors, the Issuer is of the opinion that it is not, nor has it been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Registration Document which may have, or have had in the recent past, significant effects on the consolidated financial position or consolidated profitability of the Issuer and/or its subsidiaries other than as set out above in this section.

7.2 European Commission State Aid Investigation

On 8 April 2009, the European Commission notified the Dutch State to initiate a procedure concerning potential state aid in connection with (i) the acquisition of FBN by the Dutch State on 3 October 2008 and (ii) the transfer of the 33.8% stake in RFS Holdings by FBN to the Dutch State on 24 December 2008.

On 8 February 2010, the European Commission gave preliminary approval of the recapitalisations executed by the Dutch State until 31 July 2010, which was prolonged on 30 July 2011. The European Commission also incorporated this capital rebalancing in the inquiry into state support measures it started in April 2009.

On 5 April 2011 the European Commission announced the outcome of its state aid investigation, approving under EU state aid rules the support package and restructuring plan for ABN AMRO Group, subject to certain conditions. These include a ban on acquisitions, and measures to stimulate competition in private banking in The Netherlands. Acquisitions are still possible if these are below a certain (cumulative) limit or are part of certain activities, such as private equity. Other conditions are a continuation of existing price leadership restrictions, a ban on advertising State ownership, an interest payment to the Dutch State of EUR 18 million based on a recalculation, the monitoring of net interest income levels and certain restrictions on coupon payments and calling of capital instruments.

The latter dictate that ABN AMRO shall not pay investors any coupon on existing core Tier 1, Tier 1 and Tier 2 capital instruments (including preference shares) or exercise any call option rights in relation to the same instruments until 10 March 2013 inclusive, unless there is a legal obligation to do so. The European Commission decision also allows ABN AMRO to make a dividend payment on its ordinary shares if the dividend payment exceeds EUR 100 million. This will oblige ABN AMRO to pay coupons on securities containing a dividend pusher. ABN AMRO announced on 4 March 2011 that, in consultation with the Dutch State, it had established a dividend policy that targets a dividend payout of 40% of the reported annual profit.

Most measures are implemented for the duration of three years, starting 5 April 2011. The restrictions imposed on acquisitions will be prolonged to a maximum of five years if after three years the Dutch State continues to hold more than 50% of the ordinary shares.

On 14 June 2011, ABN AMRO filed an appeal against the European Commission's decision, more precisely against the acquisition ban imposed thereby. However, the lodging of this appeal does not suspend the European Commission's decision.

7.3 Liability Management transactions after 30 March 2011

On 21 April 2011, ABN AMRO completed an exchange offer for six tranches of existing euro and US dollar denominated Lower Tier 2 instruments. The existing tranches are expected to be ineligible in 2013 under the Basel III grandfathering rules in January 2013 as communicated by the BIS. The newly issued EUR 1.2 billion and US\$595 million Lower Tier 2 instruments maturing in 2021 and 2022, respectively, are expected to qualify for grandfathering rules under Basel III.

On 26 April 2011, ABN AMRO completed a cash tender for EUR 2.7 billion of government guaranteed bonds which were scheduled to mature in 2012. With this tender ABN AMRO reduced the use of government guaranteed debt and simultaneously reduced the amount of debt that is scheduled to mature in 2012.

On 30 June 2011 ABN AMRO completed an exchange and cash tender offer for outstanding USD 250 million 7¾% Subordinated Deposit Notes, Series B, ("Existing Notes") due 2023 of RBS N.V., New York Branch (formerly known as "ABN AMRO Bank N.V., New York Branch") for exchange into new 7.75% Fixed Rate Subordinated Notes due 2023 to be issued under ABN AMRO's US\$25 billion Program for the Issuance of Senior/Subordinated Medium Term Notes ("New Notes"), or for cash. Existing Notes representing an aggregate of USD 112,964,000 in principal amount have been tendered for exchange and New Notes representing an aggregate of USD 112,964,000 in principal amount have been issued. Existing Notes representing USD 1,470,000 have been tendered and accepted for purchase. The primary reason for these offers was to effectuate a transfer of the notes to ABN AMRO, in accordance with arrangements made in connection with the Legal Demerger.

7.4 EBA Stress Test

ABN AMRO was subject to the 2011 EU-wide stress test conducted by the European Banking Authority ("**EBA**"), in cooperation with DNB, ECB, the European Commission and the European Systemic Risk Board ("**ESRB**").

The EU-wide stress test, carried out across 90 banks covering over 65% of the total assets in the EU banking system, seeks to assess the resilience of European banks to severe shocks and of their specific solvency to hypothetical stress events under certain restrictive conditions.

The assumptions and methodology were established to assess banks' capital adequacy against a 5% Core Tier 1 capital benchmark as defined by EBA. The purpose of the test is to restore confidence in the resilience of the banks tested. The adverse stress test scenario was set by the ECB and covers a two-year time horizon (2011-2012). The stress test has been carried out using a static balance sheet assumption as at December 2010. The stress test does not take into account future business strategies and management action and is not a forecast of ABN AMRO's profits.

Under the adverse scenario, the estimated consolidated Core Tier 1 capital ratio of ABN AMRO as defined by EBA would be 9.2% in 2012, compared with 9.9% at year-end 2010 (the Core Tier 1 ratio under the Basel II definition at year-end 2010 reported in the 2010 Annual Report was 10.4%).

The EU-wide stress test requires that the results and weaknesses identified, which will be disclosed to the market, are acted on to improve the resilience of the financial system. The results of the EU-wide stress test show that ABN AMRO meets the capital requirement set out for the purpose of the stress test. ABN AMRO will continue to ensure that an appropriate capital level will be maintained. This stress test is in addition to the risk management procedures and regular stress testing programmes set up at ABN AMRO.

More detailed information on the stress test results and other information on capital composition, profit and loss, exposures-at-default, loan-to-value ratios and sovereign exposures is included in the annexes to the press release dated 15 July 2011 as incorporated by reference herein.

7.5 Changes in prospects or financial position

There has been no material adverse change in the Issuer's prospects since 31 December 2010.

There have been no significant changes in the financial position of the Issuer and its subsidiaries since 31 December 2010.

There has been no material adverse change in ABN AMRO Group's prospects since 31 December 2010.

There have been no significant changes in the financial position of ABN AMRO Group and its subsidiaries since 31 December 2010.

8. PRESENTATION OF FINANCIAL INFORMATION

8.1 *Annual Financial Statements 2010*

The Annual Financial Statements 2010 are the first consolidated annual financial statements prepared by ABN AMRO Group N.V. consolidating the businesses of ABN AMRO Bank N.V. for the year ended 31 December 2010.

The different steps leading to the creation of the Group have been accounted for in the Annual Financial Statements 2010 as described below.

The combination of ABN AMRO Group and ABN AMRO Bank is regarded as a continuation of the financial history of the Dutch State-acquired businesses of the former ABN AMRO Bank N.V., hence ABN AMRO Group applied the pooling of interest method. As a result, the Annual Financial Statements 2010 include the results of ABN AMRO Bank for the full annual period ended 31 December 2010, as if the combination of ABN AMRO Group and ABN AMRO Bank has existed in its current form as from 1 January 2010. Comparative information has been included for 2009 in the Annual Financial Statements 2010.

The acquisition of FBN by ABN AMRO Group has been accounted for using the pooling of interest method of accounting, since the acquisition qualifies as a common control transaction. Therefore, the Annual Financial Statements 2010 include the financial results of FBN for the full year ended 31 December 2010, as if the two banks have been together as of 1 January 2010. Comparative information has been included for 2009 in the Annual Financial Statements 2010.

For the reasons described above, the combination of ABN AMRO Group and ABN AMRO Bank and the subsequent acquisition by ABN AMRO Group of FBN have been accounted for without application of IFRS 3 Business Combinations. As a result, the assets, liabilities and contingent liabilities of ABN AMRO Bank and FBN have been recognised by ABN AMRO Group at their existing book values on the date of acquisition and no goodwill has been recognised by ABN AMRO Group.

A common set of accounting policies and principles has been defined for the new Group. To that end, the accounting policies and principles of ABN AMRO Bank and FBN have been harmonised. The cumulative adjustment as a result of a change in accounting policies for one of the two banks has been adjusted in the opening equity as at 1 January 2009. An overview of the effect of the accounting policy harmonisation is summarised below.

To align with the classification of line items as defined for the new Group, certain line items of ABN AMRO Bank and FBN have been reclassified.

The Annual Financial Statements 2010 are prepared in accordance with IFRS on a mixed model valuation basis as follows:

- fair value is used for: derivative financial instruments, financial assets and liabilities held for trading or designated as measured at fair value through income and available-for-sale financial assets;
- other financial assets (including “loans and receivables”) and liabilities are valued at amortised cost less any impairment if applicable;
- the carrying value of assets and liabilities measured at amortised cost included in a fair value hedge relationship is adjusted with respect to fair value changes resulting from the hedged risk;
- non-financial assets and liabilities are generally stated at historical cost;
- risk disclosures under IFRS 7, “Financial instruments disclosures”, about the nature and extent of risks arising from financial instruments are incorporated herein by reference to the audited Chapter 7 Risk Management of ABN AMRO Group N.V.'s Annual Report 2010.

The Annual Financial Statements 2010 are presented in euros, which is the functional currency of ABN AMRO, rounded to the nearest million (unless stated otherwise).

Harmonisation of accounting policies

The accounting policies used to prepare these annual financial statements are consistent with those applied by the Issuer and FBN in their consolidated financial statements for the year ended 2009 except for the harmonisation of accounting policies as described below.

The harmonisation of accounting policies of ABN AMRO Bank and FBN entailed alignment of choices given within IFRS as well as the practical application of accounting policies. The harmonisation primarily related to accounting for the determination of loan loss impairments, credit valuation adjustments and joint ventures.

To determine the amounts of loan loss impairments ABN AMRO took into account the impact of discounting expected recoveries of collateral and other cash flows whereas FBN did not. The approaches have been aligned and it has been decided to adopt the ABN AMRO approach going forward.

Both banks calculate Credit Valuation Adjustments (CVA), mainly counterparty risk related to interest rate derivatives, but the policy is implemented differently. The main difference relates to the determination of the estimated credit risk. FBN used a Basel II oriented approach (probability of default loss given default) whereas the Issuer used a Risk Adjusted Return On Capital (RAROC) credit margin. It has been decided to use the ABN AMRO approach going forward.

The provision for incurred but not identified losses (IBNI) is also harmonised for the loss identification period, the cure rate and the risk portfolios it applies to. The FBN method will be used going forward.

In anticipation of Exposure Draft 9, the consolidation of joint ventures has been harmonised to equity accounted investments. Given the Issuer's proportionally consolidated joint

ventures in the past, the presentation in the statement of financial position and income statement has been adjusted. There is no impact on equity as a result of this adjustment.

Furthermore, there have been alignments in the classifications of certain items in the income statement, such as the classification of commitment fees, expenses for external staff and elements of trading income. These alignments do not have any impact on ABN AMRO's equity.

As stated in the basis of the presentation section, the pooling of interest method has been used. Consequently, ABN AMRO Group as a newly established entity determined its accounting policies from the start and there is no difference between accounting policy changes and changes in accounting estimate. All accounting policies were therefore harmonised as from 1 January 2009, the first date presented in ABN AMRO Group N.V.'s Annual Report 2010.

The table below shows the result on impact on the equity of the merged entity:

(in millions of euros)	31 December 2009	1 January 2009
Fortis Bank (Nederland)	4,721	3,019
ABN AMRO Bank	4,277	7,044
Total Equity	8,998	10,063
Harmonisation adjustments equity	-21	
Harmonisation adjustments income statement	-22	
Harmonised Equity	8,955	10,063

The harmonisation impact as from 1 January 2009 was minor, therefore no harmonisation adjustments were recorded as from this date. Since the credit risk changed significantly during 2009, ABN AMRO recorded the CVA harmonisation impact of FBN of EUR 22 million net of tax as a 2009 income statement adjustment. The remaining items are adjusted in opening equity. ABN AMRO has concluded that in general the harmonisation adjustments did not have a material impact on the financial statements of the Group.

8.2 Financial statements of ABN AMRO Bank Standalone

The Dutch State acquired businesses were transferred (in majority) from the Former ABN AMRO Bank N.V. (now named RBS N.V.) to ABN AMRO Bank Standalone on 6 February 2010 and the EC Remedy transaction was completed on 1 April 2010. Consequently, ABN AMRO Bank Standalone's audited annual financial statements for the financial year started 9 April 2009 and ended 31 December 2009 do not reflect the assets and liabilities and the financial results of the Dutch State acquired businesses nor the EC Remedy transaction. ABN AMRO is of the opinion that these financial statements do not add any material additional insight into the financial position of ABN AMRO.

8.3 Pre-Legal Merger Financial Information

Both ABN AMRO Bank Standalone and FBN have operated as separate and independent banks up to the Legal Merger. The Legal Merger has led to a fundamental change in the organisational structure, governance, and strategy of the separate banks, leading to different business segments and costs to integrate ABN AMRO Bank Standalone with FBN to benefit from synergies.

Only the audited consolidated annual financial statements for the financial year ended 31 December 2010 (including the comparative 2009 financial statements of ABN AMRO Group), interim financial statements of ABN AMRO Group, and future consolidated financial information (together "**ABN AMRO Group consolidated financial information**") provides a consolidated view on the financial position and results of the combination of ABN AMRO Bank Standalone and FBN, incorporating consolidation adjustments and eliminations. Furthermore, only the ABN AMRO Group consolidated financial statements are based on a common set of accounting policies and principles, as well as estimates and classification of line items leading to consistent recognition, measurement, presentation and disclosure treatment. For more information on the consolidation process, and presentation of financial statements of the combined bank, we refer to Sections 1.4 and 1.5 of the Notes to the Annual Financial Statements, pages 139-141 of ABN AMRO Group's Annual Report 2010, as incorporated by reference into this Registration Document.

Now that audited consolidated financial statements are available for both 2010 and 2009 for ABN AMRO Group, ABN AMRO is of the opinion that the audited pro forma financial information of ABN AMRO Bank Standalone for the financial year ended 31 December 2009 and FBN's publicly available audited consolidated annual financial statements for the financial year ended 31 December 2009 do not add any material additional insight into the financial position of ABN AMRO compared to the consolidated financial statements of ABN AMRO Group N.V.

9. GENERAL INFORMATION

Documents available for inspection or collection

As long as this Registration Document is valid as described in Article 9 of the Prospectus Directive, copies of the following documents will, when published, be available, free of charge, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the registered office of the Issuer at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands, telephone: +31 20 6282282; e-mail: investorrelations@nl.abnamro.com.

- i. The English translation of the articles of association of the Issuer;
- ii. ABN AMRO Group N.V.'s publicly available audited consolidated annual financial statements for the financial year ended 31 December 2010 (as set out on pages 131 to 137 in relation to the financial statements 2010, including the notes to the financial statements as set out on pages 168 to 257 and pages 62 to 97 (certain information in Chapter 7 (*Risk management*)), the summary of the accounting policies as set out on pages 138 to 167, the auditors' report on pages 258 and 259, and the Section "*Important notes to the reader*" in the inside cover, all as included in ABN AMRO Group N.V.'s Annual Report 2010);
- iii. Chapters 7 (*Risk management*) section 7.2 through 7.5, 8 (*Capital management*) and 9 (*Funding*) on pages 64 to 112 of ABN AMRO Group N.V.'s Annual Report 2010;
- iv. The Issuer's publicly available annual financial statements for the financial year ended 31 December 2010 (including the notes to the financial statements prepared on the basis of article 2:403 of the Dutch Civil Code (*Burgerlijk Wetboek*));
- v. The most recently available annual report of ABN AMRO Group N.V. and its consolidated subsidiaries and the most recently available published interim financial statements of the ABN AMRO Group N.V. (in English and if any);
- vi. the press release titled "ABN AMRO comfortably passes European stress test 2011" dated 15 July 2011.
- vii. A copy of the Registration Document; and
- viii. Any future supplements to the Registration Document and any other documents incorporated herein or therein by reference.

Significant change

There has been (i) no material adverse change in the Issuer's prospects or (ii) significant change in the financial position of the Issuer and its subsidiaries since 31 December 2010.

Litigation

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Registration Document, a significant effect on the financial position or profitability of the Group and/or the Issuer and its subsidiaries.

Statutory auditors

The annual financial statements of ABN AMRO Group N.V. for the financial year ended 31 December 2010 (including the comparative 2009 financial statements) have been audited all without qualification by KPMG Accountants N.V., chartered accountants (*registeraccountants*). KPMG's address is P.O. Box 74500, 1070 DB Amstelveen, The Netherlands. The individual auditors of KPMG are members of the NBA. The auditor's reports in respect of the financial year ended 31 December 2010 with regard to ABN AMRO Group N.V. are incorporated by reference herein included in the form and content in which it appears with the consent of KPMG Accountants N.V., who have authorised the contents of this auditors' report.

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