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For Immediate Release

NLFI AND ABN AMRO ANNOUNCE INTENTION TO PROCEED WITH AN INITIAL PUBLIC OFFERING OF ABN AMRO ON EURONEXT AMSTERDAM

The Hague, Amsterdam, the Netherlands – 27 October 2015. Stichting administratiekantoor beheer financiële instellingen (NL Financial Investments, “NLFI”), on behalf of the Dutch State, and ABN AMRO Group N.V. (“ABN AMRO”, the “Company”, “The Group”), confirm their intention to proceed with the next step towards an Initial Public Offering (the “IPO” or the “Offering”) and listing of ABN AMRO on Euronext Amsterdam. The intended IPO will consist of a secondary offering of depositary receipts (“DRs”) representing shares in ABN AMRO. The Offering and timing thereof are subject to, among others, market conditions. Barring unforeseen circumstances, the Offering could be launched as of Q4 2015.

ABN AMRO highlights

- ABN AMRO is a leading Dutch full service bank with a transparent and client-driven business model, a moderate risk profile, a clean balance sheet with predominantly traditional banking products, and a strong capital position and funding profile. The Group services Retail, Private, and Corporate Banking clients with a primary focus on the Netherlands and with selective capability-led operations internationally. ABN AMRO holds a strong position in the Netherlands across three segments: Retail Banking, Private Banking and Corporate Banking. The Group has a stable client base that generates recurring and resilient operating income. ABN AMRO is well positioned with favourable exposure to the Dutch economy, which is characterised by strong fundamentals and a cyclical upturn;
- The Group’s capability-led international activities, for instance in Private Banking, Energy, Commodities & Transportation Clients and Asset Based Finance, offer geographical diversification and growth opportunities based on specific expertise and established market positions, in accordance with ABN AMRO’s moderate risk profile;
- ABN AMRO is led by a highly experienced management team with a proven track record;
- The Group has made significant progress on improving its profitability, with return on equity increasing to 13% in the first half of 2015, assuming expected regulatory levies are included equally across the four quarters;
- The targeted annual dividend pay-out ratio¹ is 50% over the full year 2017, underpinned by a favourable Dutch macro-economic environment, a mix of capital generative and growth businesses, potential for further efficiencies and a strong capitalisation and asset quality.

Offer highlights

- NLFI and ABN AMRO believe the IPO is the logical next step for the Group. In October 2008, the Dutch State nationalised Fortis Bank Nederland (Holding) N.V. including the Fortis’ owned part of the former ABN AMRO group in order to safeguard financial stability. Since nationalisation, the Dutch Minister of Finance has indicated the temporary nature of the investment;
- Today’s announcement is in line with the previously announced objective of the Dutch Minister of Finance to return ABN AMRO to the market as soon as reasonably possible, provided three conditions are met: (i) the financial sector is sufficiently stable, (ii) there is sufficient interest in the market and (iii) the Company is ready. NLFI has informed the Dutch Minister of Finance that it has reassessed these conditions and advises to proceed with this announcement;
- All approvals, including the approval of the Dutch Parliament and the declarations of no-objection of De Nederlandsche Bank (DNB) and the European Central Bank (ECB) have been received;

¹ This dividend policy and the intended payment of dividend are without prejudice to the absolute discretion of the Managing Board

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- ABN AMRO will be listed on Euronext Amsterdam after the intended IPO. Barring unforeseen circumstances, the Offering could be launched as of Q4 2015;
- Given the size of the Company, its balance sheet total, the revenues and expected valuation, a stock exchange listing would be a natural environment for ABN AMRO. The Offering is also expected to provide ABN AMRO with additional financial flexibility and diversity through access to capital markets;
- The intended IPO will consist of a secondary offering of DRs representing ABN AMRO's existing shares to institutional and retail investors in the Netherlands and a private placement to certain qualified institutional investors internationally;
- If and when the Offering is launched, further details of the offer structure will be included in the prospectus. Once approved by the Dutch Authority for the Financial Markets (AFM), the prospectus will be published and made available to the public at the start of the offering period, subject to securities law restrictions in certain jurisdictions;
- Upon IPO, NLFI will receive the net proceeds from the Offering and if an over-allotment option is exercised, the net proceeds from the sale of the over-allotment shares. NLFI will distribute the net proceeds it receives from the Offering to the Dutch State. The Company will not receive any proceeds from the Offering;
- NLFI will retain a significant majority holding in ABN AMRO after its listing, although it is the intention to fully exit from the Company over time. NLFI will enter into customary lock-up arrangements with the underwriters in respect of the sale of its remaining ABN AMRO shares, subject to certain customary exceptions;
- ABN AMRO Bank N.V., Deutsche Bank AG, London Branch and Morgan Stanley & Co. International plc are acting as joint global coordinators and, together with Barclays Bank PLC, Citigroup Global Markets Limited, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A, ING Bank N.V., J.P. Morgan Securities plc and Merrill Lynch International, as joint bookrunners for the Offering. Keefe, Bruyette & Woods and RBC Europe Ltd are acting as co-lead managers for the Offering.

Third quarter results

In connection with this process and the preparation of the prospectus, which is expected to include third quarter results, ABN AMRO will publish its third quarter results on 9 November 2015 instead of the earlier announced date of 13 November 2015.

Gerrit Zalm, Chairman of the Managing Board of ABN AMRO, said: "Today's announcement marks an important step towards our new future. Since ABN AMRO in its current form was created in 2010, we have made great strides in building ABN AMRO into a strong Dutch retail, private and corporate bank, with a transparent business model and a moderate risk profile, leading to strong and resilient results. I am pleased that our progress has been recognised and I want to thank our customers, employees and our shareholder for their ongoing support and confidence throughout this very important period. We are proud that we are now ready for this next step in the process. A next step that in the end will allow ABN AMRO to continue to focus on its client centric approach helping our customers to realise their financial ambitions."

Michael Enthoven, Chairman of NLFI, said: "As of the nationalisation, it has been clear that ABN AMRO would be privatised again as soon as reasonably possible. Enormous efforts have been made since then. We have reassessed all the exit conditions as defined by the Minister of Finance, and I am pleased to advise the Minister to continue with the process to return ABN AMRO to private ownership through an Initial Public Offering. I would like to congratulate ABN AMRO on the progress they have made and their steadily improving results over the last five years."

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Strategy

In March 2013, ABN AMRO announced its strategy for the period until and including 2017 comprising five strategic priorities:

- **Enhance client centricity**
ABN AMRO aims to be recognised for long term and trustworthy relationships with its clients and for the quality of its advice. ABN AMRO strives to improve client satisfaction by offering transparent and competitive pricing and by simplifying products and services while continuously enhancing its understanding of its clients' needs through top class client analytics and a sector approach.

The Company regards technology as a key enabler of an optimal client service offering. The Company therefore intends to continue to invest in internet, mobile service and social media to keep pace with developments and to offer transparent and innovative investment advisory services and discretionary mandates. The Company believes that enhancing client centricity will lead to long-lasting relationships and satisfied clients.
- **Invest in our future**
ABN AMRO aims to invest in its future by re-engineering its IT landscape, by maintaining a recognised position in sustainability and transparency and by aiming to be a top class employer. The Company believes that this should lead to operational efficiency, and client and employee satisfaction.
- **Strongly commit to a moderate risk profile**
ABN AMRO is a leading Dutch full service bank with a focused business model with low complexity. Internationally, ABN AMRO focuses on selective and capability-led activities. ABN AMRO commits to a strong capital and liquidity position that well exceeds regulatory requirements. The Company aims to have a diversified business and funding profile – in terms of sources, geographies and currencies – with excellent market access.
- **Pursue selective, capability-led international growth**
ABN AMRO maintains a long term ambition to generate c. 20 to 25% of operating income outside the Netherlands. The Company believes that prudent and selective international growth, as well as an increased focus on asset based lending, provides further diversification to risk and income, further strengthening the moderate risk profile.
- **Improve profitability**
ABN AMRO aims to improve its profitability and meet its 2017 targets by improving its top line revenues by continuing to focus on cost efficiency and striving for a sustainable risk-return.

Targets

The Company has announced the following targets:

- Return on equity between 10% and 13% (in the coming years)
- Cost/income ratio between 56% and 60% (by 2017)
- Fully-loaded CET1 ratio between 11.5% and 13.5%
- Dividend pay-out ratio of 50% (as from and over the full year 2017)

Financial highlights

ABN AMRO Group performed well in the first half of 2015. The underlying net profit of EUR 1,144 million in the first six months of 2015 (compared to EUR 700 million in the same period 2014) resulted in an ROE of 14.7% and, compared with the first six months of 2014, the underlying cost/income ratio decreased by two percentage points to 57%. If the expected regulatory levies were included equally over the four quarters (expected to be approximately EUR 250 million pre-tax, to be recorded in Q4 2015), the

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cost/income ratio would have been 60% and the Return on Equity would have been 13% in the first half of 2015.

The fully-loaded CET1 ratio was 14.0% at the end of June 2015. ABN AMRO intends to pay a dividend of 40% of the reported net profit over the full year 2015, of which EUR 350 million has been paid as an interim dividend.

Leadership and governance

The Company has a two-tier board structure consisting of the Managing Board and the Supervisory Board. The Company will be subject to the 'structure regime' (structuurregime). The Managing Board consists of Mr. Gerrit Zalm (Chairman), Mr. Johan van Hall (Vice-Chairman), Mr. Kees van Dijkhuizen, Ms. Caroline Princen, Mr. Wietze Reehoorn, Mr. Chris Vogelzang and Mr. Joop Wijn. The Managing Board has been stable in its composition since 2009, having had one succession only due to the retirement of one member (Mr. Kees van Dijkhuizen succeeded Mr. Jan van Rutte as CFO in June 2013). In addition, the senior managing directors of the Group have on average over 20 years of experience at ABN AMRO. The Group has successfully executed the complex integration of two banks (the parts of the former ABN AMRO Bank and Fortis Bank (Nederland) N.V.) on time, within budget and delivering a structurally lower cost base.

The Supervisory Board supervises and advises the Managing Board. The Supervisory Board consists of Mr. Rik van Slingelandt (Chairman), Ms. Olga Zoutendijk (Vice-Chair), Mr. Hans de Haan, Mr. Steven ten Have, Mr. Bert Meerstadt and Ms. Annemieke Roobeek.

Protective measures

In the context of the Offering, NLFI will sell part of its shareholding in the Company. Instead of ordinary shares, investors will be offered DRs. The DRs will be issued by a foundation (Stichting Administratiekantoor Continuïteit ABN AMRO Group, "STAK") in exchange for shares which will be transferred by NLFI to the STAK. The same approach will be followed for all subsequent sales of shares by NLFI.

The purpose of this mechanism is to create a defence measure against hostile situations. The STAK will collect dividends and other distributions on the underlying shares from the Company, and shall make corresponding distributions on the DRs without charging costs. The voting rights attached to the underlying shares vest in the STAK. However, absent hostile situations, the STAK has the obligation to grant a proxy to DR holders, enabling them to vote on the shares at their own discretion. If a hostile situation occurs, the STAK can resolve to limit, exclude or revoke powers of attorney to the DR holders or to not observe voting instructions received from the DR holders. In such events, the STAK may exercise the voting rights attached to the ordinary shares, whilst primarily focusing on the interests of the Company, which interests shall among other things include the interests of the customers, including the savings and deposit holders, the shareholders, the DR holders, the employees and the society in which the Company performs its activities.

ENDS

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