ABN·AMRO

IR / Press Release

Amsterdam, 18 November 2011

ABN AMRO Group reports underlying net profit of EUR 9 million in Q3 2011 and EUR 983 million in first nine months of 2011

- **Underlying net profit, which excludes integration and separation-related expenses, was EUR 9 million for Q3 2011. Q3 includes loan impairments of EUR 408 million net of tax (EUR 500 million pre-tax) for Greek Government-Guaranteed Corporate Exposures**
- **In a rapidly deteriorating macro environment in Q3, R&PB delivered a good performance; C&MB's revenues were lower and loan impairments were higher in Q3**
- **Underlying net profit for the first nine months amounted to EUR 983 million compared with EUR 768 million in 2010**
- **The first nine months of 2011 include loan impairments for Greek Government-Guaranteed Corporate Exposures, a restructuring provision of EUR 132 million and one-off gains of approximately EUR 150 million (both net of tax)**
- **Reported net result was a loss of EUR 54 million for Q3 2011 and a profit of EUR 810 million for first nine months of 2011**
- **The underlying cost/income ratio for the first nine months of 2011 improved to 63% from 70% in 2010**
- **At 30 September 2011, core Tier 1, Tier 1 and total capital ratio under Basel II were 10.9%, 13.2% and 17.4% respectively**
- **A significant part of the integration has been completed, as almost all commercial and all private banking clients were successfully migrated to a single IT platform on 12 and 13 November**

Gerrit Zalm, Chairman of ABN AMRO Group, comments:

"The macro environment became progressively challenging during the year. Uncertainty as a result of the sovereign debt crisis and the impact thereof on the European economy, caused us to impair part of the EUR 1.4 billion Greek Government-Guaranteed Corporate Exposures. These legacy exposures, which were entered into around 2000, are not Greek government bonds, but loans and notes of Greek government-owned corporates guaranteed by the Greek state. Even though all obligations have been met to date, the deterioration of the situation in Greece may diminish the quality of the guarantee. Hence an impairment of EUR 500 million before tax was taken on part of these exposures in Q3.

Against the background of strong results in the first six months and a rapidly deteriorating macro environment, C&MB's revenues declined and loan impairments increased in Q3. R&PB was less impacted by these circumstances and continued a good performance. The cost of wholesale funding increased over the year as spreads widened.

Although only a small underlying profit was recorded in Q3, year-to-date underlying profitability improved. This translates into an improvement of the underlying cost/income ratio for the first nine months to 63%. We remain cautious for the remainder of the year as we expect economic growth to turn negative.

Significant progress has been made on the integration. We recently completed a complex operation ahead of schedule: the technical migration of nearly all commercial and all private banking clients to a single IT platform. Having successfully completed this operation ahead of schedule, we certainly expect to finalise the remainder of the integration in 2012."

Income statement of ABN AMRO Group

The reported profit for the first nine months of 2011 was EUR 810 million and includes separation and integration-related costs of EUR 173 million net of tax. The underlying net profit for the first nine months, which excludes these costs, was EUR 983 million.

The analysis presented in this press release is based on these so-called underlying results, unless otherwise indicated. For a more detailed overview of the separation and integration-related costs as well as a reconciliation of the reported and underlying results, please refer to the Annex.

Underlying results

in EUR million	*Nine months 2011*	*Nine months 2010*	*change*
Net interest income	*3,807*	*3,671*	*4%*
Non-interest income	*2,142*	*1,982*	*8%*
Operating income	5,949	5,653	5%
Operating expenses	3,760	3,943	-5%
Loan impairments	989	580	71%
Operating profit before taxes	**1,200**	**1,130**	**6%**
Income tax expenses	217	362	-40%
Profit for the period	**983**	**768**	**28%**
Underlying cost/income ratio	**63%**	**70%**	

Other items

	30 September 2011	*31 December 2010*	*change*
Assets under Management (in EUR billion)	153.0	164.2	-7%
Risk-Weighted Assets (in EUR billion)	115.7	116.3	-1%
FTEs	24,947	26,161	-5%

Underlying results for the first nine months of 2011

Profit for the first nine months of 2011 amounted to EUR 983 million, an increase of 28% or EUR 215 million compared with the same period in 2010. Retail & Private Banking (R&PB) contributed EUR 857 million to group profit and Commercial & Merchant Banking (C&MB) contributed EUR 419 million. Group Functions made a negative contribution of EUR 293 million.

Increasing concerns and uncertainty about the full extent of the impact of the sovereign debt crisis caused the macro environment to deteriorate during the course of the year. This is reflected in a drop in net result in the third quarter compared with two strong previous quarters. Against this background, R&PB delivered a good performance, also compared with the same period in 2010. C&MB's net profit was higher than the same period last year. However, compared with good results in the first two quarters of 2011, the third quarter was impacted by lower non-interest income and an increase in loan impairments. The cost of wholesale funding increased in 2011 as a result of uncertainty in the markets.

Net profits in both 2011 and 2010 include several large items, which on aggregate are similar in size (negative EUR 390 million and negative EUR 385 million respectively). Further details can be found in the Annex.

- Operating income increased by 5% or EUR 296 million.

  Net interest income increased by 4%, or EUR 136 million. Net interest income in 2010 included interest expenses on capital instruments which were converted into equity in the course of 2010 and interest income of activities now divested. Excluding these, net interest income rose marginally.

  Net interest income at C&MB increased, driven by growth of the loan portfolio and higher deposits. R&PB recorded stable interest income as the positive effect of higher deposits was mitigated by a decrease of the loan portfolio. The cost of wholesale funding rose in the first nine months of 2011 compared with the same period in 2010.

  Non-interest income showed an increase of 8%, also if income from businesses now divested and large items in 2010 are excluded.

This increase was driven by good results in C&MB, partly in private equity and participating interests, as well as several positive one-offs (mainly recorded in Group Functions). However, lower client activity due to more volatile financial markets reduced fee and commission income in R&PB.

- Operating expenses decreased by 5%, or EUR 183 million. Operating expenses in 2010 included provisions and expenses for litigation (EUR 265 million); operating expenses in 2011 include a restructuring provision for the customer excellence programme (EUR 177 million). Excluding these and operating expenses of activities now divested, operating expenses rose by 1% due to higher pension costs and annual wage increases.

- The cost/income ratio in the first nine months of 2011 improved to 63%, compared with 70% in the same period of 2010, reflecting that significant integration synergies have already been realised.

- Loan impairments increased by EUR 409 million due to a EUR 500 million loan impairment on part of the Greek Government-Guaranteed Corporates Exposures.[1] Loan impairments in C&MB decreased by EUR 55 million to EUR 331 million as LC&MB recorded net releases of impairments. Impairment levels in Business Banking and Corporate Clients remained high. Loan impairments in R&PB declined by EUR 13 million to EUR 205 million. Impairments on the mortgage portfolio remained almost unchanged.

- The effective tax rate was 18% as the 2011 results include tax-exempt private equity gains. The tax rate in the same period of 2010 was 32%, due mainly to (partly) tax-exempt expenses for litigations and capital instruments.

- The total number of full-time equivalents (FTEs) excluding temporary staff declined by 1,214, or 5%, in the first nine months of 2011, due mainly to the integration as well as the divestment of Prime Fund Solutions (472 FTEs).

- Assets under Management (AuM) decreased by EUR 11.2 billion due partly to adverse market conditions and the effect of certain amendments to the Securities Giro Act (which did not affect earnings).

[1] Notes and loans issued by Greek government-owned corporates guaranteed by the Greek state (defined as Greek Government-Guaranteed Corporate Exposures). For more details, please refer to the paragraph “Government and government-guaranteed exposures” on page 9

Underlying results for the third quarter of 2011

Underlying results

in EUR million	*Q3 2011*	*Q2 2011*	*change*
Net interest income	*1,241*	*1,302*	*-5%*
Non-interest income	*598*	*776*	*-23%*
Operating income	1,839	2,078	-12%
Operating expenses	1,162	1,422	-18%
Loan impairments	679	185	267%
Operating profit before taxes	**-2**	**471**	**-100%**
Income tax expenses	-11	80	
Profit for the period	**9**	**391**	**-98%**
Underlying cost/income ratio	**63%**	**68%**	

Other items

	30 September 2011	*30 June 2011*	*change*
Assets under Management (in EUR billion)	153.0	162.1	-6%
Risk-Weighted Assets (in EUR billion)	115.7	109.1	6%
FTEs	24,947	25,112	-1%

A small profit of EUR 9 million was recorded in the third quarter compared with a profit of EUR 391 million in the previous quarter[2] as specific loan impairments of EUR 408 million (EUR 500 million pre-tax) were taken on part of the EUR 1.4 billion Greek Government-Guaranteed Corporate Exposures[3] due to the sovereign debt crisis. In addition, adverse market conditions resulted in lower trading and fee income.

- Operating income came to EUR 1,839 million, down 12% from the second quarter.

  Net interest income declined by 5% quarter-on-quarter as the second quarter benefited from several incidental interest-related items. R&PB recorded higher net interest income as customer deposits increased, mainly at Private Banking. The mortgage portfolio remained stable in the third quarter and margins held up. The C&MB loan portfolio (excluding securities financing) grew by more than EUR 4 billion, but margins were slightly under pressure.

  Non-interest income decreased by 23% due to adverse market conditions and negative credit value adjustments (counterparty risk related to interest rate derivatives) in C&MB's Markets division. R&PB saw lower transaction levels, also due to market conditions. The third quarter included a large gain in private equity (C&MB).

- Operating expenses decreased by EUR 260 million, mainly because the previous quarter included a restructuring provision for the customer excellence programme of EUR 200 million and EUR 18 million of costs for the Deposit Guarantee Scheme. The third quarter included a EUR 23 million release of the restructuring provision for the customer excellence programme.

- The cost/income ratio was 63% compared with 68% in the second quarter.

- Loan impairments increased by EUR 494 million as a result of the loan impairments on part of the Greek Government-Guaranteed Corporate Exposures of EUR 500 million. The second quarter included a EUR 35 million Incurred But Not Identified (IBNI) impairment which was released in the third quarter. Loan impairments in R&PB declined slightly, mainly due to lower additions in Private Banking and a small decrease in consumer loans. Mortgage impairments rose slightly. Impairments in C&MB showed an increase, mainly as a result of releases in LC&MB in the previous quarter. Impairment levels in Business Banking and Corporate Clients remained high.

- Assets under Management declined by 6%, due almost entirely to adverse market conditions.

[2] Please see Annex for further details

[3] For more details, please refer to the paragraph "Government and government-guaranteed exposures" on page 9

Balance sheet developments in the first nine months of 2011

Statement of condensed financial position *in EUR million*	*30 September 2011*	*31 December 2010*
Cash and balances at central banks	1,196	906
Financial assets held for trading	29,704	24,300
Financial investments	20,208	20,197
Loans and receivables - banks	55,415	41,117
Loans and receivables - customers	294,379	273,944
Other	18,380	16,818
Total assets	**419,282**	**377,282**
Financial liabilities held for trading	24,192	19,982
Due to banks	29,735	21,536
Due to customers	230,940	209,466
Issued debt	93,573	86,591
Subordinated liabilities	8,653	8,085
Other	20,417	19,510
Total liabilities	**407,510**	**365,170**
Equity attributable to the owners of the parent company	11,750	12,099
Equity attributable to non-controlling interests	22	13
Total equity	**11,772**	**12,112**
Total liabilities and equity	**419,282**	**377,282**

Total assets

Total assets were EUR 419.3 billion on 30 September 2011, up EUR 42.0 billion from 31 December 2010 due primarily to an increase in client flows in the securities financing activities[4] and growth in the customer loan portfolio.

- Financial assets held for trading increased by EUR 5.4 billion due to higher market valuations of derivatives and an increase in government bonds (Dutch and German).
- Loans and receivables – banks grew by EUR 14.3 billion mainly as a result of higher deposits with central banks, higher collateral requirements and increased client flows in the securities financing activities.
- Loans and receivables – customers grew by EUR 20.4 billion, of which EUR 15.7 billion relates to securities financing activities. Growth in the commercial loan portfolio of C&MB was partly offset by a slight decline in the mortgage portfolio of R&PB, which stood at EUR 157.9 billion compared with EUR 159.5 billion at year-end 2010.

Total liabilities

Total liabilities went up by EUR 42.3 billion to EUR 407.5 billion on 30 September, driven by increased client flows in the securities financing activities and higher customer deposits.

- Financial liabilities held for trading increased by EUR 4.2 billion as a result of lower market valuation of derivatives.
- Due to banks increased by EUR 8.2 billion mainly on an increase in securities financing deposits.

[4] Client flow from securities financing activities include all repo, reverse repo and securities lending and borrowing transactions and are recorded under Loans and receivables - customers, Loans and receivables – banks, Due to customers and Due to banks.

- Due to customers increased by EUR 21.5 billion, of which EUR 14.6 billion in securities financing activities. Both R&PB and C&MB recorded inflows of deposits, partly caused by a shift from securities to deposits in R&PB. The increase in Due to customers was despite the divestment of activities.

- Issued debt securities increased by EUR 7.0 billion as a result of the issuance of both short and long-term instruments. This was partly offset by a repurchase of government-guaranteed debt in the second quarter and a call of certain outstanding residential mortgage-backed securitisations.

Total equity decreased by EUR 0.3 billion. The retained profit for the period (i.e. reported net profit of EUR 0.8 billion minus a EUR 0.2 billion dividend payment) was mitigated by a negative impact of EUR 0.9 billion in the special component of equity (mainly cash flow hedge reserve due to adverse movements in the yield curve).

Capital Management

ABN AMRO is relatively well capitalised, with core Tier 1 and Tier 1 ratios of 10.9% and 13.2% respectively and a total capital ratio of 17.4%.

Regulatory capital Basel II		
in EUR million	*30 September 2011*	*31 December 2010*
Total Equity (IFRS)	**11,772**	**12,112**
Participations in financial institutions	*-311*	*-301*
Other regulatory adjustments	*1,101*	*273*
Core Tier 1 capital	**12,562**	**12,084**
Non-innovative hybrid capital instruments	*1,750*	*1,750*
Innovative hybrid capital instruments	*993*	*1,000*
(Non-) Innovative Capital Instruments	2,743	2,750
Tier 1 Capital	**15,305**	**14,834**
Subordinated liabilities Upper Tier 2	*173*	*173*
Subordinated liabilities Lower Tier 2	*4,983*	*4,747*
Sub-Debt (Tier 2)	5,156	4,920
Other	-350	-418
Total Capital	**20,111**	**19,336**
Risk-Weighted Assets	**115,698**	**116,328**
Core Tier 1 ratio	**10.9%**	**10.4%**
Tier 1 ratio	**13.2%**	**12.8%**
Total Capital ratio	**17.4%**	**16.6%**

Regulatory capital and capital ratios

Sixty percent of the EUR 786 million reported net profit attributable to shareholders,is included in core Tier 1 capital in accordance with regulations and the dividend policy. The targeted dividend pay-out of 40% of net reported profit, of which EUR 200 million has been paid out as interim dividend on the ordinary shares in September 2011, is excluded from the capital calculation. Other regulatory adjustments increased to offset the change in the special component of equity (which is predominantly related to the cash flow hedge reserve).[5]

Furthermore, several capital transactions were executed in the second quarter of 2011, including exchange and tender offers on Lower Tier 2 instruments, which had a positive impact on capital ratios.

RWA

RWA remained virtually stable in comparison with year-end 2010. The small decline was caused mainly by further harmonisation and integration of the Basel II models and ongoing data quality improvements (EUR -4.3 billion), combined with a decrease in operational risk RWA (EUR -1.2 billion), offset by an RWA increase due to business growth (EUR 5.3 billion).

Basel III

Based on analysis of the currently known Basel III requirements, ABN AMRO believes it is relatively well positioned to meet the Basel III minimum capital requirements at the time of introduction in January 2013. Applying Basel III rules communicated by the Bank of International Settlements (BIS) to the Basel II capital position of 30 September 2011 would result in the following calculations:

- Applying rules expected on 1 January 2013: Common Equity Tier 1 ratio would amount to 9.8%, Tier 1 ratio to 11.7% and total capital ratio to 13.4%
- Applying full phase-in rules for capital deductions, regulatory adjustments and RWA adjustments, combined with transitional arrangements for capital instruments as applicable in January 2013: Common Equity Tier 1 ratio would amount to 8.9%, Tier 1 ratio to 10.8% and total capital ratio to 12.5%

[5] This adjustment eliminates market value fluctuations of interest rate derivatives related to assets and liabilities not reported at market value (which are included in IFRS Equity) when calculating core Tier 1 capital.

Basel III also proposes a minimum requirement for a leverage ratio of 3% to be met as from 2018. The leverage ratio equalled 3.2% at 30 September 2011 (down from 3.3% at year-end 2010), based on current Basel II Tier 1 capital.

Liquidity & Funding

Customer deposits that ABN AMRO gathers through its R&PB and C&MB networks are its main source of funding. The bank also attracts money market deposits and issues debt instruments through wholesale markets to complement its funding mix.

Despite turbulent market conditions, ABN AMRO successfully implemented its funding strategy in the first nine months of 2011. This strategy focuses on attracting long-term wholesale funding to further lengthen the average maturity of instruments issued and to diversify funding sources. The maturity profile improved due to an increase in the average maturity of long-term funding and successful liability management transactions.

In the first nine months of the year, EUR 13.0 billion in term funding was raised in wholesale markets and EUR 2.0 billion of funding was extended (termed out). This exceeds the EUR 8.2 billion in term funding scheduled to mature in 2011.

Following a period of (near) market closure, ABN AMRO was one of the first banks to launch a small benchmark transaction on 30 September 2011, a EUR 500 million 2-year floating rate note. Despite market uncertainty, ABN AMRO sees no material change in volumes issued in short-term maturities (commercial paper and certificates of deposits) in any of the currencies. The funding efforts in the remainder of 2011 will be used to pre-finance funding maturing in 2012.

Spreads in wholesale funding increased in the course of 2011. The volume of customer deposits increased in the first nine months. Fiercer competition for customer deposits is expected to put margins under pressure.

Liquidity parameters	30 September 2011	31 December 2010
Loan to deposit ratio	133%	135%
Available Liquidity buffer (in EUR billion)	43.3	47.9

The loan to deposit ratio (LtD ratio) improved slightly to 133% on 30 September 2011 from 135% on 31 December 2010. The corporate loan book grew and was partly offset by a small decrease in the residential mortgage loan book. However, the overall increase in the loan book was more than compensated for by a rise in deposits.

A liquidity buffer is retained as a safety cushion in the event of severe liquidity stress and consists mainly of cash, government bonds and retained RMBS. The liquidity buffer amounted to EUR 43.3 billion on 30 September 2011, compared to EUR 47.9 billion on 31 December 2010, and remains sufficient. The decrease in the buffer is mainly a result of the cancellation and restructuring of tranches of retained RMBS notes. The first tranche of restructured new ECB eligible notes was issued and retained in July 2011 and is included in the 30 September 2011 liquidity buffer. Another tranche of notes was issued and retained in October 2011 and is expected to increase the buffer by approximately EUR 10 billion in the fourth quarter of 2011.

Government and government-guaranteed exposures

Total exposure to government bonds from Ireland (EUR 0.1 billion), Spain (EUR 0.1 billion) and Italy (EUR 0.3 billion) accounted for less than 0.2% of the balance sheet total as per 30 September 2011. There was no direct government debt exposure to Greece and Portugal. ABN AMRO decided to reduce its exposures to Italian and Belgian government bonds in the third quarter.

EU Government & government-guaranteed exposures

in EUR billion	Government	Government Guaranteed	30 September 2011 Total	31 December 2010 Total	change total
Netherlands	10.2	1.9	12.1	8.9	3.2
Germany	4.7	0.7	5.4	2.1	3.3
France	2.6	0.2	2.8	2.3	0.5
Greece	0.0	1.4	1.4	1.4	0.0
Austria	1.2	0.0	1.2	0.9	0.3
UK	1.0	0.1	1.1	0.9	0.2
Belgium	1.0	0.0	1.0	2.6	-1.6
Italy	0.3	0.0	0.3	1.3	-1.0
EU	0.3	0.0	0.3	0.0	0.3
Finland	0.2	0.0	0.2	0.1	0.1
Poland	0.2	0.0	0.2	0.3	-0.1
Ireland	0.1	0.0	0.1	0.1	0.0
Spain	0.1	0.0	0.1	0.1	0.0
Portugal	0.0	0.0	0.0	0.2	-0.2
Total	**22.0**	**4.4**	**26.4**	**21.2**	**5.2**

The comparative exposure for the Netherlands has been adjusted to exclude deposits with DNB.
The amount for Greece is the gross outstanding.

The majority of ABN AMRO's government and government-guaranteed exposures are recorded in the available-for-sale portfolio in the investment book. An unrealised gain of EUR 1,211 million (year-end 2010: EUR 530 million) was recorded on these exposures. Fair value hedge accounting was applied for an amount of EUR 1,300 million (year-end 2010: EUR 574 million), leaving a net unrealised loss of EUR 89 million (year-end: EUR 44 million) in the available-for-sale reserve in equity.

In addition, some of the exposures (mainly Greece and the majority of The Netherlands) are recorded in loans and receivables at amortised cost. The figures for the Netherlands exclude consumer loans which are Dutch State guaranteed, such as government-guaranteed mortgages (NHG), but do include corporate loans that are Dutch State guaranteed. The fair values of the government and government-guaranteed exposures in the Netherlands do not differ significantly from the amortised cost value.

ABN AMRO holds approximately EUR 1.4 billion of Greek Government-Guaranteed Corporate Exposures. The exposures were allocated to ABN AMRO during the separation process in 2010 and are the result of transactions entered into around 2000. The Greek Government-Guaranteed Corporate Exposures are not quoted in an active market. Fair values have been determined based on market observable information for similar credit risk exposures. The fair value derived is approximately EUR 0.7 billion. Under the current market circumstances, and given the specific nature of the exposures, the determination of fair values on this basis is subject to significant uncertainty.

Uncertainty about Greece has resulted in a credit risk assessment of various factors, including an assessment of the government guarantee and other collateral. ABN AMRO has concluded that there are sufficient indications that not all future contractual cash flows might be recovered. ABN AMRO has therefore taken a specific impairment of EUR 500 million pre-tax (EUR 408 million net of tax) on the majority of the Greek Government-Guaranteed Corporate Exposures even though all obligations have been met to date.

Update since 30 September 2011

Separation and integration

The migration to a single IT platform of almost all commercial and all private banking clients was completed in the weekend of 12 and 13 November, when around 100,000 clients were successfully transferred from the former Fortis Bank Nederland systems to the ABN AMRO systems. The migration, which was originally scheduled for April 2012, marks a major milestone in the integration of the two banks. More than 99% of all former Fortis Bank Nederland clients have now been transferred to the ABN AMRO systems, including last year's successful migration of 1.6 million retail customers. The remaining integration activities, which are much smaller in size, are on track and will be finalised by 2012, as planned.

Completion of the sale of Fortis Commercial Finance

On 3 October 2011, ABN AMRO announced that it had completed the sale of the non-Dutch parts of Fortis Commercial Finance (FCF) to BNP Paribas Fortis. The Dutch part of FCF remains with ABN AMRO and will be integrated into ABN AMRO's factoring business, ABN AMRO Commercial Finance. As a result of the sale, the number of countries where ABN AMRO is active declined to 23 (including the Netherlands) and the number of FTEs was reduced by 492. The sale led to a negligible book loss and will not have a material impact on earnings.

Completion of the sale of Swiss Private Banking activities

The sale of ABN AMRO's Swiss Private Banking activities to Union Bancaire Privée, UBP SA was finalised on 31 October 2011. As mentioned before, the transaction is expected to lead to a book gain, which will be recorded in the fourth quarter of 2011. At the end of September, the Swiss Private Banking activities held approximately EUR 10 billion in Assets under Management and employed 323 FTEs.

Acquisition of LGT Deutschland

On 29 September 2011, ABN AMRO. reached agreement with LGT Group on the purchase of LGT Bank Deutschland, consisting of the private banking activities in Germany. LGT Bank Deutschland is to become part of Bethmann Bank, a fully owned subsidiary of ABN AMRO. The planned transaction is subject to certain conditions, including approval by the relevant regulatory and merger control authorities. The acquisition will further strengthen ABN AMRO's private banking activities in Germany and will solidify its leading position as a top 3 private bank in the eurozone. Closing is expected in the fourth quarter of 2011.

NLFI

On 29 September 2011 the Dutch State transferred its shares in ABN AMRO Group N.V. and ABN AMRO Preferred Investments B.V. to *Stichting administratiekantoor beheer financiële instellingen* ("NLFI"). NLFI holds all ordinary shares in ABN AMRO Group N.V., representing 92.6% of the voting rights. The non-cumulative preference shares in ABN AMRO Group N.V., representing 7.4% of the voting rights, are held by ABN AMRO Preferred Investments B.V. This entity's issued shares are held by NLFI (70%, all priority shares) and two institutional investors (30%, all ordinary shares). NLFI issued exchangeable depositary receipts in return for acquiring the shares held by the Dutch State in ABN AMRO. NLFI is responsible for managing these shares and exercising all rights associated with these shares under Dutch law, including voting rights.

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

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Annex:

Reconciliation from reported to underlying results

As announced on previous occasions, the reported figures were impacted by several items related to the separation of ABN AMRO Bank from RBS N.V. and FBN from Fortis Bank SA/NV and the integration of ABN AMRO Bank and FBN. For a better understanding of the underlying trends, the 2010 and 2011 figures have been adjusted for these items.

Income Statement

	Reported		*Separation & integration-related costs*		*Underlying*	
in EUR million	**Nine months 2011**	**Nine months 2010**	**Nine months 2011**	**Nine months 2010**	**Nine months 2011**	**Nine months 2010**
Net interest income	*3,807*	*3,671*	*0*	*0*	*3,807*	*3,671*
Non-interest income	*2,142*	*1,170*	*0*	*-812*	*2,142*	*1,982*
Operating income	5,949	4,841	0	-812	5,949	5,653
Operating expenses	3,991	4,726	231	783	3,760	3,943
Loan impairments	989	580	0	0	989	580
Operating profit before taxes	**969**	**-465**	**-231**	**-1,595**	**1,200**	**1,130**
Income tax	159	162	-58	-200	217	362
Profit for the period	**810**	**-627**	**-173**	**-1,395**	**983**	**768**
Attributable to:						
Non-controlling interests	24	3	0	0	24	3
Owners of the company	786	-630	-173	-1,395	959	765

Separation and integration related costs

	Nine months 2011		*Nine months 2010*	
in EUR million	**Gross**	**Net**	**Gross**	**Net**
R&PB	*19*	*15*	*17*	*13*
C&MB	*16*	*12*	*9*	*7*
Group Functions	*194*	*145*	*655*	*488*
Integration costs	**229**	**172**	**681**	**508**
Separation costs	**2**	**1**	**101**	**75**
Closing EC Remedy	**0**	**0**	**812**	**812**
Total	**231**	**173**	**1,594**	**1,395**

Annex:

Quarterly underlying results

Quarterly underlying results							
in EUR million	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010
Net interest income	*1,241*	*1,302*	*1,264*	*1,234*	*1,235*	*1,248*	*1,188*
Non-interest income	*598*	*776*	*768*	*772*	*769*	*566*	*647*
Operating income	1,839	2,078	2,032	2,006	2,004	1,814	1,835
Operating expenses	1,162	1,422	1,176	1,392	1,199	1,440	1,304
Loan impairments	679	185	125	257	232	269	79
Operating profit before taxes	**-2**	**471**	**731**	**357**	**573**	**105**	**452**
Income taxes	-11	80	148	48	130	94	138
Profit for the period	**9**	**391**	**583**	**309**	**443**	**11**	**314**

Large items

The first nine months of 2011 include:

- a restructuring provision for the customer excellence programme (EUR 132 million net of tax). The first-half results included a provision of EUR 200 million pre-tax (EUR 149 million net of tax) whereas the third quarter includes a release for pension obligations of EUR 23 million pre-tax (EUR 17 million net of tax) for the customer excellence programme;
- loan impairments on part of the Greek Government-Guaranteed Corporate Exposures (EUR 408 million net of tax);
- several positive one-offs (approximately EUR 150 million net of tax). Of this amount, approximately EUR 60 million was recorded in the first quarter and approximately EUR 90 million in the second quarter. The one-offs include items resulting from a further integration of systems and methodologies, gains on sales of participating interests and buildings and a EUR 52 million release related to the Madoff provision.

The first nine months of 2010 include:

- interest costs for capital instruments (EUR 169 million pre-tax, EUR 156 million net of tax);
- non-interest costs on a credit relief instrument (EUR 126 million pre-tax, EUR 94 million net of tax);
- a gain on the buyback of the upper Tier 2 instrument (EUR 175 million pre-tax, EUR 130 million net of tax);
- several litigation provisions and expenses (EUR 265 million tax-exempt).

Cautionary statement on forward-looking statements

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

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

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

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

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