
IR / Press Release

Amsterdam, 4 March 2011

ABN AMRO Group reports strong growth in underlying profit to EUR 1,077 million in 2010

- **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**
- **Underlying net profit, which excludes the sale under the EC Remedy and separation and integration costs, amounted to EUR 1,077 million, compared with an underlying net profit of EUR 142 million in 2009**
- **This increase was driven by higher operating income (+10%) and lower loan impairments (-47%), despite higher costs as a result of legal provisions and expenses (EUR 264 million net-of-tax) as reported on previous occasions**
- **The underlying cost/income ratio improved to 70% from 75% in 2009**
- **At 31 December 2010, pro forma combined core Tier 1, Tier 1 and total capital ratio under Basel II were 10.4%, 12.8% and 16.6 % respectively**
- **Reported Q4 2010 net profit was EUR 213 million compared with a reported Q3 2010 net profit of EUR 341 million; underlying Q4 2010 net profit amounted to EUR 309 million, compared with an underlying Q3 2010 net profit of EUR 443 million (including a net-of-tax gain on the buyback of own debt of EUR 130 million)**

Gerrit Zalm, Chairman of ABN AMRO Group comments:

"Looking back on 2010, we can conclude that we have reached and in some occasions even surpassed the goals we had set for 2010: we realised separation, concluded the first major integration projects successfully and on time, rebuilt capabilities, boosted client satisfaction and delivered a strongly improved financial performance.

The improvement in underlying profit in 2010 was mainly due to our continued focus on clients and costs, the first synergy benefits from the integration and the recovery of the Dutch economy. The reported result was impacted by separation and integration costs and the forced sale under the EC Remedy, EUR 1.5 billion in total. The integration costs will diminish sharply in the two years ahead of us. We are now well under way to improving the profitability and efficiency of the bank. Our capital and liquidity position gives us a good starting position to meet the upcoming Basel III requirements, which will be phased in starting from 2013. The Dutch State has announced that we can start preparations for an exit in 2013, probably leading to a stock exchange listing in 2014. We welcome this view.

All this was possible thanks to our clients and staff. Throughout the turbulent times, clients remained loyal or returned to the bank. We will do our utmost to prove that they have made the right decision. Staff have displayed admirable efforts, dedication and unflinching commitment even in times of personal uncertainty. We are grateful to them and proud of their performance."

Underlying income statement of ABN AMRO Group

<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	2,754	2,718	1%
Operating income	7,659	6,986	10%
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%

Separation and integration-related items

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 Fortis Bank Nederland (FBN) from BNP Paribas Fortis SA/NV and the integration of ABN AMRO Bank and FBN. Below is an overview of the separation and integration-related items.

<i>(in millions euros)</i>	<i>Full year 2010</i>		<i>Full year 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

The reported loss for the period 2010 was EUR 414 million and includes separation and integration costs and the loss on the forced sale under the EC Remedy, totalling EUR 1,491 million net-of-tax. For a better understanding of underlying trends, the reported 2009 and 2010 figures have been adjusted for these items. The abovementioned table and the analysis presented in this press release is based on the underlying results unless otherwise indicated. The underlying profit for the period was EUR 1,077 million. For a more detailed reconciliation of the reported and underlying results, please refer to Annex 4.

Segment reporting

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.

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 is expected to be closed in the first half of 2011.

Underlying results 2010

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

Non-interest income increased at R&PB and C&MB. In R&PB higher net fees and commissions were recorded as a result of the recovery of stock markets, resulting in increased Assets under Management (AuM).¹ In C&MB, ABN AMRO Clearing benefited from the acquisition of the US activities and growth in Asia. Dividends, favourable revaluations and exits within the private equity portfolio of C&MB also resulted in higher non-interest income. Group Functions recorded lower non-interest income mainly due to a lower contribution from the divested activities and higher fees paid to the Dutch State. The decline in non-interest income was partly offset by a gain on the buyback of subordinated debt (EUR 175 million pre-tax) included in Group Functions.

- 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. Even though these are higher than indicated upon announcement of the first-half 2010 results, the net-of-tax amount is unchanged despite some additional legal provisions and expenses in the fourth quarter. Operating expenses in 2009 included EUR 95 million in 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 150 branches in the Netherlands. C&MB incurred an increase in operating expenses mainly due to 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.

- 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%, compared with 73% in 2009.
- 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.
- 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 150 branches in the Netherlands.

¹ As of Q3 2010 AuM include assets of French activities (EUR 5.2 billion) previously not included.

Underlying results for the fourth quarter of 2010

<i>(in millions)</i>	<i>Fourth quarter</i>	<i>Third quarter</i>	<i>% change</i>
	<i>2010</i>	<i>2010</i>	
Underlying results			
Net interest income	1,234	1,235	-0%
Non interest income	772	769	0%
Operating income	2,006	2,004	0%
Operating expenses	1,392	1,199	16%
Loan impairments	257	232	11%
Profit / (loss) before taxation	357	573	-38%
Income tax expense	48	130	-63%
Profit / (loss) for the period	309	443	-30%
Assets Under Management (in EUR billion)	164.2	161.0	2%
Underlying cost/income ratio	69%	60%	
Risk Weighted Assets	116.3	118.8	-2%
FTEs (year-end)	26,161	27,396	-5%

Profit for the fourth quarter of 2010 amounted to EUR 309 million compared with EUR 443 million in the third quarter. Profit for the third quarter included a gain on the buyback of own debt of EUR 130 million net-of-tax.

- Operating income remained unchanged quarter-on-quarter. Excluding the buyback of own debt in the third quarter, operating income in the fourth quarter would have increased by 7%.

Net interest income in all segments was stable quarter-on-quarter.

Non-interest income was stable as well. Excluding the gain on the buyback of own debt (EUR 175 million pre-tax), non-interest income increased by 29% due mainly to the termination of a credit protection instrument agreed the Dutch State on a EUR 34.5 billion portfolio of own originated residential mortgages in October. In addition, non-interest income benefited from a recovery of transaction volumes in R&PB, up from lower levels in the third quarter due to the summer holiday season. Fourth-quarter non-interest income was also positively influenced by a release of part of the guarantee provided for the potential losses on the EC Remedy assets (the credit umbrella) of EUR 50 million.

- Operating expenses rose by 16% due mainly to impairments of goodwill in both R&PB and C&MB (total of EUR 54 million) and legal provisions and expenses (EUR 39 million).
- The cost/income ratio of 69% was higher compared with the third quarter (60%), mainly as a result of the aforementioned costs. Excluding the legal provisions and expenses and the gain on the buyback of own debt, the cost/income ratio would have increased slightly from 66% to 67%, mainly due to the goodwill impairments.
- Loan impairments increased by 11%.

Balance sheet

(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 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 cash equivalents at central banks decreased by EUR 3.5 billion.

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

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 decline was partly offset by higher securities borrowing transactions and increased volumes in clearing activities.

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

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.

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 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.

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 in the first half of 2010 (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 in the available for sale reserve of EUR 259 million and the result over 2010 of EUR 414 million negative.

Risk Management

The risk organisations of ABN AMRO Bank and FBN merged in 2010 to form the new risk organisation. The bank established an integrated and harmonised risk governance for the combined bank and formulated policies and specific limits in line with the strategically targeted moderate risk profile.

Credit risk exposure

At year-end 2010, 58% of Loans and Receivables customers was from private individuals, consisting of residential mortgages (EUR 161.3 billion) and, to a lesser extent, consumer loans (EUR 14.2 billion). The majority of Loans and Receivables customers are exposures to Netherlands-based clients.

Sovereign and sovereign-guaranteed exposures

The table below shows an overview of the book values of the largest exposures to European governments and government-related entities as at 31 December 2010. These exposures include debt issued by central governments and local governments and debt which is guaranteed by a central government. The exposures reported are part of the loan, trading and investment books.

(in billions euros)	Total Book Value
The Netherlands	13.2
Belgium	2.6
France	2.3
Germany	2.1
Greece	1.4
Italy	1.3
United Kingdom*	0.9
Austria	0.9
Poland	0.3
Portugal	0.2
Ireland	0.1
Finland	0.1
Spain	0.1
Total	25.5

* GBP denominated exposure

The majority of our government and government related exposures are booked in the Available for Sale portfolio in Financial Investments. An unrealised gain of EUR 530 million is recorded on these exposures through equity (in the so called 'special component of equity').

In addition, some of the exposures (mainly Greece and The Netherlands) are recorded in loans and receivables (at amortised cost). The Greek exposures show an unrealised loss of EUR 216 million compared to the fair value at year-end. No impairments have been booked as these loans are performing. The remainder of the exposures is booked at fair value and is part of the trading portfolio in Financial assets held for trading.

The figures for the Netherlands exclude loans which are Dutch State guaranteed and include the deposit with the Dutch Central Bank.

Capital Management

ABN AMRO continues to be adequately capitalised and the core Tier 1 capital ratio, Tier 1 capital ratio and total capital adequacy ratio amounted to 10.4%, 12.8% and 16.6% respectively. Therefore ABN AMRO is well positioned to meet the upcoming Basel III capital requirements, to be phased in as from 2013.

<i>(in billions euros)</i>	<i>31 December 2010</i>	<i>30 September 2010</i>
IFRS equity	12.1	11.7
Tier 1 capital	14.8	15.0
Regulatory capital	19.3	19.7
Basel II Risk Weighted Assets	116.3	118.8
Core tier 1 ratio	10.4%	10.1%
Tier 1 ratio	12.8%	12.6%
Total capital ratio	16.6%	16.6%

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

Consolidated capital ratios are not available for the period before 1 April 2010. Both banks report under Basel II Advanced-IRB only as from 1 April 2010. Until full harmonisation of Basel II policies and models for determining the risk-weighted assets and regulatory capital, the reported Basel II capital ratios are combined pro forma capital ratios based on the consolidated IFRS equity figures.

Change in capital

On 7 December 2007, Fortis Bank Nederland (Holding) N.V. ("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 SA/NV and ageas N.V. (hereinafter jointly "Ageas") pursuant to the applicable terms and conditions. In consideration for that issue, Ageas claims from ABN AMRO Group and ABN AMRO Bank, as legal successor to FBNH, the delivery of shares to Ageas pursuant to a purported contractual obligation in an intragroup agreement signed by the co-issuers in 2007 prior to the issue of the MCS, the so-called Four Party Agreement.

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 include a full and final release of the obligations, if any, of FBNH (and therefore also of ABN AMRO Bank as its legal successor) with regard to the MCS. The Dutch State therefore strongly contests the purported obligation towards Ageas.

On 3 December 2010, the Dutch State lodged an attachment on the purported claim of Ageas under the Four Party Agreement. On 28 December 2010, Ageas initiated court proceedings in the Netherlands in which Ageas has claimed from ABN AMRO Group and ABN AMRO Bank 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.

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

Until it is certain that ABN AMRO is legally released from the obligations, if any, derecognition of the liability from the balance sheet as a result of extinguishment of aforementioned obligations is not permitted under 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 ABN AMRO Bank, if any, is unclear. In accordance with IFRS requirements the liability has therefore been retained in the balance sheet as at 31 December 2010 and of the total amount EUR 1,750 million continues to qualify as Tier 1 capital.

In addition, a subordinated liability of USD 250 million legally held by RBS N.V was no longer recognised as of December 2010. Further review has shown that this instrument does not qualify as capital for ABN AMRO. The impact on capital of this change compared with the third quarter of 2010 is a reduction of EUR 184 million in subordinated liabilities qualifying as Tier II capital.

Due to the above factors, Tier 1 capital declined slightly from EUR 15.0 billion in the third quarter to EUR 14.8 billion in the fourth quarter of 2010 and Total capital declined from EUR 19.7 billion to EUR 19.3 billion.

Change in RWA

The reduction in risk-weighted assets (RWA) from EUR 118.8 billion in the third quarter of 2010 to EUR 116.2 billion in the fourth quarter relates predominantly to further refinements to the credit and market risk models, procedures and data sourcing.

European Commission investigation

ABN AMRO is still the subject of a State aid investigation procedure. In relation to this procedure, the European Commission has stated that Hybrid Tier 1 and Tier 2 instruments are subject to restrictions on the calling of instruments and to a ban on coupon payments unless there is a legal obligation to make such payments. This ban is in force for a limited period, i.e. through 10 March 2013.

Liquidity and funding

The bank benefits from core retail funding and reasonably diversified wholesale funding sources. The loan-to-deposit ratio was 135% on 31 December 2010, up from 133% on 30 September 2010, caused mainly by growth of the loan portfolio.

Management is focused on further extending the funding maturities and diversifying the funding profile in the medium term. A liquidity buffer with sufficient collateral, for example for participation in ECB tenders, is retained as a safety cushion in the event of severe liquidity stress. The liquidity buffer amounted to EUR 47.9 billion on 31 December 2010.

The funding activities in 2010 were driven mainly by the lengthening of the maturity profile. ABN AMRO raised EUR 26.3 billion of long-term funding in 2010. Of this total amount issued, EUR 9.6 billion was raised in senior unsecured medium-term notes, EUR 11.2 billion in RMBS notes, and EUR 4.0 billion in covered bonds. The remainder was raised in long term repurchase agreements and private investor products.

In 2010 the full amount of the EUR 13 billion of outstanding ECB Longer-Term Refinancing Operations was redeemed. No government guaranteed securities were issued during 2010 and all government guaranteed commercial paper has matured. EUR 9.0 billion of long term government guaranteed funding still remains outstanding and is scheduled to mature between 2011 and 2014.

Separation and integration

Both ABN AMRO Bank and FBN were separated from their former holding companies in 2010 prior to the integration. The Legal Separation from RBS Holdings N.V. was completed on 1 April 2010. Almost all service-level agreements with RBS Holdings N.V. were terminated by the end of 2010, and a small number of commercial agreements still remain effective. Operational separation of the EC Remedy businesses will be finalised in 2012. The separation from BNP Paribas Fortis was completed at the end of 2010, and the separation from ASR Nederland and Amlin Corporate Insurance was completed at the end of the third quarter of 2010. A commercial agreement was signed with ASR in order to guarantee the continuity of a small number of IT services needed until December 2011.

On 1 July 2010, the effective date of the legal merger, the FBN name was rebranded to ABN AMRO, a major rebranding exercise. On 6 July, ABN AMRO completed the integration of 150 branches of the retail network in the Netherlands. Branches remained “two-in-one” until the technical migration was completed at the end of 2010 to ensure that the 1.6 million FBN clients retained access to their trusted bank staff during the migration. The technical client migration process, which started in August, took place in seven clusters varying in size and complexity and was completed by December 2010. Disruption for clients was minimal and no material operational losses were incurred. The migration of commercial and private clients is planned for 2011 and early 2012.

The bank selectively rebuilt its presence in the Netherlands and abroad in 2010. Corporate Clients set up client teams in the Northwest and South regions of the Netherlands, largely restoring the presence that had been previously lost due to the EC Remedy transaction, and opened four International Commercial Banking (CBI) units in the United Kingdom, Germany, France and Belgium to serve Dutch clients abroad. Preparations have begun for establishing CBI units in other countries where ABN AMRO's clients are active. The ABN AMRO Dealing Room was officially re-opened on 27 October 2010, integrating the two dealing rooms of the former banks. Markets re-established its international network by opening offices in the United Kingdom, Hong Kong and the United States, giving clients round-the-clock service in three time zones. ABN AMRO Large Corporates & Merchant Banking further strengthened its international position in ECT, in part by opening offices in Greece, Brazil, the United States and Hong Kong and by adding the offering of ECT services through existing offices in Singapore and the United Arab Emirates.

A new housing programme has been defined, with a total of 110 buildings (including 30 regional and head offices) to be divested and 130 rental contracts to be terminated by 2012. By the end of December 2010, 30 buildings had been divested and 90 rental contracts terminated. In addition, 12,000 employees were re-located within the Netherlands.

The new positioning of the ABN AMRO brand in the Netherlands was launched in September, the central theme of which is “today's bank”.

The first year of integration was successfully concluded, resulting in integration synergies of approximately EUR 350 million to date. ABN AMRO continues to expect to realise annual integration benefits compared with the 2008 cost base of EUR 1.1 billion pre-tax following the completion of the integration at the end of 2012. The full synergy benefits will therefore be realised as from 2013. These numbers exclude the impact of inflation, a new collective labour agreement which was agreed and costs related to fill the gaps resulting from the separations and costs to support growth of the business.

So far, total integration costs amount to EUR 843 million pre-tax (2009 and 2010). Total integration costs (for the period 2009-2012) are expected to be capped at EUR 1.6 billion pre-tax. For the remaining two years, integration costs of EUR 600-700 million are expected to be recorded of which the majority in 2011.

Human Resources

Throughout 2010, Human Resources (HR) played a key role in the integration of FBN and ABN AMRO. HR supported the bank in the intensive resourcing processes, and negotiated and implemented the HR conditions involved in these processes. At the same time, HR worked on establishing its own new organisation and service model and on designing a bank-wide people strategy framework, enabling the businesses to develop their own people plans within a bank-wide framework.

In December 2009 ABN AMRO and the trade unions reached an agreement on a new social plan (“*From job to job*”), effective as from March 2010, in order to minimise redundancies and to enhance re-employability within and outside the organisation with dedicated job advisors. As part of the integration of the two banks, an efficiency programme resulting in a reduction of 4,500 FTEs (until 2012, with 31 December 2008 as a baseline) was announced in 2010.

On 26 November 2010, ABN AMRO and the trade unions reached an agreement on a new collective labour agreement (CAO), effective as from 1 January 2011, harmonising the compensations and benefits packages for all employees. Both the new CAO and the social plan will run until 2013.

Dutch Banking Code

ABN AMRO endorses the principles of the Dutch Banking Code, which became effective on 1 January 2010. When shaping the new organisation after the Legal Separation and Legal Merger, the principles of the Banking Code were translated into policy and anchored in the organisation. ABN AMRO has published a principle-by-principle account of its compliance with the Banking Code on www.abnamro.com.

Update since 31 December 2010

Dividend policy

In consultation with the Dutch State ABN AMRO has established a dividend policy that targets a dividend payout of 40% of the reported annual profit. This policy is subject to finalisation of the State aid investigation procedure of the European Commission.

In preparing the financial information in this document, the same accounting principles have been applied as in the first half 2010 ABN AMRO Group Interim Financial Statements. The Annual Financial Statements 2010 are in progress and may be subject to adjustments from subsequent events. 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. Please also note that due to the integration, the current segment reporting is still subject to small changes.

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Annex 1: Segment reporting

Income statement of 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%

Please note that 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 P&L effect of this transfer will show in 2011.

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 clients² and offers a wide variety of banking and insurance products and services through the branch network, online, via contact centres and through subsidiaries.

Private Banking provides total solutions to its clients' global wealth management needs and offers a rich array of products and services designed to address their individual needs. Private Banking operates as one private bank in terms of client service, product offering and ambition, and is the centre of expertise for investment services, while Retail Banking offers savings and deposits for the entire R&PB organisation. For managerial purposes, Private Banking is organised into two entities, PB Netherlands and PB International. The International Diamonds & Jewelry Group is a global market leader in offering financial services to the diamond and jewellery industry and is part of PB International.

Underlying results 2010

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 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.

² 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.

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 the recovery of stock markets. This is reflected in higher AuM³ 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 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 150 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 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 PB 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 of EUR 1.5 billion on loans and EUR 2.8 billion on deposits).

Excluding the abovementioned 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.

Excluding the abovementioned 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.

Achievements in 2010

R&PB focuses on putting the client first at all times, also in a year that saw the transfer of 1.6 million FBN clients to ABN AMRO systems and the integration of 150 branch offices. During the integration, which resulted in a smooth transition, Retail actively consulted client panels and informed clients on a regular basis. At the same time, Retail concentrated on enhancing product transparency, making its product information clear and straightforward and reducing and simplifying its offering of savings accounts. Clients clearly appreciate this approach, as underpinned by the resulting improvement in client satisfaction. Private Banking aspires to be the trusted advisor for its clients, an ambition that will continue to be the driving motive for the integration of the private bank.

³ As of Q3 2010 AuM include assets of French activities (EUR 5.2 billion) previously not included.

Income statement of 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%

Please note that 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 P&L effect of this transfer will show in 2011.

ABN AMRO is a leading commercial and merchant bank in the Netherlands, offering customised financial advice and product solutions to companies based in the Netherlands and their operations abroad. The C&MB client base encompasses the full range of businesses. In addition to its strong position in the Netherlands, ABN AMRO leads a number of global specialist markets with its Energy, Commodities & Transportation (ECT), Securities Financing, Clearing and collateralised finance (factoring and lease in Western Europe) businesses.

C&MB is organised into Business Banking, Corporate Clients, Large Corporates & Merchant Banking (LC&MB) and Markets – and Marketing & Products, a central unit supporting these businesses.

Underlying results 2010

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.

- 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 derivative 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 adjustment 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 with 2009 were recorded as a consequence of dividends, favourable revaluations and exits within the private equity portfolio (LC&MB).

- Operating expenses rose by 25% to EUR 1,997 million in 2010, mainly due to legal provisions and expenses and a goodwill impairment of EUR 30 million. Excluding the legal provisions and expenses, operating expenses still 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 impairments declined to EUR 518 million in 2010, 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

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 of 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 with 2009 partially as a result of a heightened focus on core clients and the abovementioned transfer of SME deposits from R&PB to C&MB in the last quarter of 2010.

Achievements in 2010

C&MB's intensified focus on clients in 2010 was reflected in an improvement in client satisfaction. C&MB cultivates long-term relationships with clients and strives to improve client satisfaction by offering excellent sector knowledge, a comprehensive and innovative range of products, and first-rate service. In 2010, C&MB selectively rebuilt its presence in Remedy regions following the sale of certain commercial banking activities to Deutsche Bank, providing its clients access to a nationwide network in the Netherlands as well as a network abroad. The bank further strengthened its international position in ECT by opening offices in several countries and by adding the offering of ECT services through existing offices abroad. Lastly, C&MB expanded its product offering in 2010, in part through the re- launch of structured products for investors such as ABN AMRO Turbos.

Income statement of 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.

Group Functions supports ABN AMRO's businesses and consists of Technology, Operations & Property Services (TOPS); Finance; Risk Management & Strategy; Integration, Communication & Compliance; Group Audit and the Corporate Office. 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

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

- 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 with EUR 38 million in 2009. These securities converted into equity on 1 April 2010.

Non-interest income fell 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 with 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 buyback of GBP 600 million of an upper Tier 2 instrument, a release of part of the guarantee provided for the potential losses on the EC Remedy assets (the credit umbrella) of EUR 50 million and improved results on various hedge accounting programmes.

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

Achievements in 2010

Group Functions successfully led the technical and legal preparations for the Legal Merger on 1 July 2010 and the integration, providing full operational, legal and finance support to the various separation and integration projects carried out in 2010, including the technical migration of 1.6 million retail clients to ABN AMRO systems. Group Functions ensured that despite the separation and integration projects, ABN AMRO's standard of service was safeguarded. Sourcing contracts with a number of key suppliers were renegotiated in 2010, resulting in structural cost reductions. Following the merger of the two banks, harmonised accounting and compliance policies were put into place. The bank's risk appetite has been defined and a new risk management framework has been designed. The funding profile of the bank was further improved and maturities of the wholesale funding were extended. Group Functions organised the rebranding of Fortis Bank Nederland into ABN AMRO. A renewed sustainability strategy was launched, highlighting the importance of the sustainability agenda for the long-term ambitions of ABN AMRO. Human Resources led a major reorganisation of the bank, especially in the Retail network, and reached agreement with the trade unions on a new collective labour agreement for all employees.

Annex 2: Reported Consolidated Income Statement

<i>(in millions euros)</i>	<i>Full year 2010</i>	<i>Full year 2009</i>
Income		
Interest income	12,952	15,035
Interest expense	8,047	10,767
Net interest income	4,905	4,268
Fee and commission income	2,550	2,400
Fee and commission expense	784	467
Net fee and commission income	1,766	1,933
Net trading income	304	139
Results from financial transactions	330	203
Share of result in equity accounted investments	91	94
Other income	-599	712
Operating income	6,797	7,349
Expenses		
Personnel expenses	2,846	2,690
General and administrative expenses	2,847	2,478
Depreciation and amortisation of tangible and intangible assets	536	381
Operating expenses	6,229	5,549
Loan impairment and other credit risk provisions	837	1,585
Total expenses	7,066	7,134
Operating profit / (loss) before taxation	-269	215
Income tax expense	145	-59
Profit / (loss) for the year	-414	274
Attributable to:		
Shareholders of the company	-417	272
Non-controlling interests	3	2

Annex 3: Consolidated Balance Sheet

(in millions euros)

31 December 2010

31 December 2009

Assets		
Cash and cash equivalents	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
Equity accounted investments	1,159	975
Property and equipment	1,679	1,937
Goodwill and other intangible assets	412	472
Assets held for sale	85	
Accrued income and prepaid expenses	4,169	3,532
Current tax assets	875	507
Deferred tax assets	633	537
Other assets	8,312	7,300
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
Provisions	1,716	1,328
Accrued interest and deferred income	6,602	5,980
Current tax liabilities	755	369
Deferred tax liabilities	132	84
Other liabilities	10,811	12,138
Total liabilities	367,487	377,569
Equity		
Share capital	1,015	
Share premium	11,505	
Other reserves (incl. retained earnings / profit for the period)	183	9,610
Other components of equity	-604	-877
Equity attributable to shareholders 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
Guarantees and other commitments	14,553	16,175
Committed credit facilities	23,193	10,235

Annex 4: Reconciliation from reported to underlying results

As announced with the first-half 2010 results, 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 2009 and 2010 figures have been adjusted for these items.

ABN AMRO Group

<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	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.

Please note that 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 and 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

<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	-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

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 Bank 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 interim reports.