ABN AMRO BANK N.V.
(incorporated with limited liability in The Netherlands with its statutory seat in Amsterdam)

Supplement to the Registration Document dated 11 August 2011

This Supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the registration document dated 11 August 2011 issued by ABN AMRO Bank N.V., as supplemented by the first supplement dated 29 August 2011, the second supplement dated 22 November 2011 and the third supplement dated 14 December 2012 (the "**Registration Document**"). This Supplement, together with the Registration Document, constitutes a registration document for the purposes of Article 5.4 of Directive 2003/71/EC of the European Parliament and of the Council (the "**Prospectus Directive**"). Terms given a defined meaning in the Registration Document shall, unless the context otherwise requires, have the same meaning when used in this Supplement. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Registration Document by this Supplement and (b) any other statement in or incorporated by reference into the Registration Document, the statements in (a) above will prevail.

ABN AMRO Bank N.V. accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, such information is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

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

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Any securities to be issued by the Issuer in connection with this Registration Document have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States.

Accordingly, any such securities may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons.

So long as the Registration Document and this Supplement are valid as described in Article 9 of the Prospectus Directive, copies of this Supplement and the Registration Document, together with the other documents listed in Section 3 *Incorporation by Reference* of the Registration Document will be available free of charge during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the Issuer (at its registered office of the Issuer at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands, by telephone +31 20 6282282 or by e-mail: investorrelations@nl.abnamro.com).

AMENDMENTS OR ADDITIONS TO THE REGISTRATION DOCUMENT

On 9 March 2012 ABN AMRO published its consolidated 2011 Annual Report (the "**Annual Report 2011**"). A copy of the Annual Report 2011 has been filed with the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*). By virtue of this Supplement, the Annual Financial Statements and the specific chapters of the Annual Report 2011, titled Risk management, Capital management, Liquidity and funding, Integration, Definitions of important terms and Abbreviations, are incorporated in, and form part of, the Registration Document.

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Registration Document shall be amended and/or supplemented in the manner described below. References to page numbers are to the pages of the registration document dated 11 August 2011.

1. In Section 3 *Incorporation by reference,* on page 19 of the Registration Document, the following new paragraphs (i) and (j) shall be inserted (with deletion of "and" at the end of paragraph (g) and replacement of "." at the end of paragraph (h) with ";"):

   "(i) ABN AMRO Group N.V.'s publicly available audited consolidated annual financial statements for the financial year ended 31 December 2011 (as set out on pages 149 to 155 in relation to the financial statements 2011, including the notes to the financial statements as set out on pages 183 to 272, pages 76 to 105 (certain information in Chapter 8 (*Risk management*)), pages 118 to 131 (certain information in Chapter 10 (*Liquidity and funding*)), the summary of the accounting policies as set out on pages 156 to 182, the auditors' report thereon on pages 273 and 274, and the Section "*Notes to the reader*" in the inside cover, all as included in ABN AMRO Group N.V.'s Annual Report 2011) (the "**Annual Financial Statements 2011**"); and

   (j) Chapter 8 (*Risk management*), Chapter 9 (*Capital management*) and Chapter 10 (*Liquidity and funding*) and Chapter 11 (*Integration*) on pages 76 to 134 and Chapter 20 (*Definitions of important terms*) and Chapter 21 (*Abbreviations*) on pages 288 to 293 of ABN AMRO Group N.V.'s Annual Report 2011.

   Certain information in Chapter 8 and Chapter 10 of ABN AMRO Group N.V.'s Annual Report 2011 has been audited. Other disclosures are unaudited and labelled with an asterix therein. The financial information in the other Chapters of ABN AMRO Group N.V.'s Annual Report 2011 incorporated by reference as set out in paragraph (j) above has not been audited.".

2. In Section 6 *Operating and Financial Review*, on page 71, the following sub-section 6.4 shall be inserted:

   "**6.4 Operating and Financial Review 2011**

   This Operating and Financial Review 2011 includes a discussion and analysis of ABN AMRO's results of operations and financial condition for the financial year ended 2011 compared with the financial year ended 2010 and (in sub-section 6.4.10) of ABN AMRO's underlying results for the fourth quarter 2011 compared with the third quarter 2011. This section 6.4 should be read in

conjunction with the Annual Financial Statements 2011 (including summary of significant accounting policies).

The reported figures have been impacted by several items which are related to the demerger of ABN AMRO Bank from RBS N.V. and the separation of FBN from BNP Paribas Fortis and the integration of ABN AMRO Bank and FBN. For a better understanding of underlying trends, the 2010 and 2011 figures have been adjusted for these items. The analysis in this section 6.4 is based on the underlying results unless otherwise indicated. Reconciliation of the reported and underlying results is reproduced in section 6.4.1 below.

ABN AMRO is organised into Retail & Private Banking (R&PB), Commercial & Merchant Banking (C&MB) and Group Functions. For financial reporting purposes, the Managing Board adopted a further refinement of the segment reporting in 2011 as follows: Retail Banking, Private Banking, Commercial Banking, Merchant Banking and Group Functions (see paragraph 6.4.9 below).

Allocation of costs has been refined as from 2011, with the majority of the costs of Group Functions now allocated to the businesses. Comparison of the 2011 and 2010 results of the business segments is impacted by this change. Items not allocated to the businesses include operating results from ALM/Treasury, general restructuring charges, certain integration costs, and costs for the Dutch Deposit Guarantee Scheme.

Except for the reported figures in the table set out below, the financial information included in this section 6.4 is unaudited and is extracted from the press release dated 9 March 2011 issued in connection with the publication of ABN AMRO Group N.V.'s Annual Report 2011.

Certain figures in this section 6.4 may not add up exactly due to rounding. In addition, certain percentages in this section 6.4 have been calculated using rounded figures. As a result of the integration of ABN AMRO Bank and FBN, the current segmentation of reporting is still subject to minor changes.

6.4.1 Reconciliation from reported to underlying results

Income Statement

	Reported		*Separation & integration-related costs*		*Underlying*	
(in millions)	***Full year 2011***	***Full year 2010***	***Full year 2011***	***Full year 2010***	***Full year 2011***	***Full year 2010***
Net interest income	*4,998*	*4,905*	*-*	*-*	*4,998*	*4,905*
Net fee and commission income	*1,811*	*1,766*	*-*	*-*	*1,811*	*1,766*
Other non-interest income	*985*	*126*	*-*	*- 862*	*985*	*988*
Operating income	7,794	6,797	-	- 862	7,794	7,659
Operating expenses	5,357	6,229	362	894	4,995	5,335

Operating result	**2,437**	**568**	**- 362**	**- 1,756**	**2,799**	**2,324**
Loan impairments	1,757	837	-	-	1,757	837
Operating profit before taxes	**680**	**- 269**	**- 362**	**- 1,756**	**1,042**	**1,487**
Income tax	- 9	145	- 91	- 265	82	410
Profit for the period	**689**	**- 414**	**- 271**	**- 1,491**	**960**	**1,077**

The reported cost/income ratio improved to 64% in 2011, down from 70% in 2010.

6.4.2 Underlying Income Statement of ABN AMRO Group

ABN AMRO Group's reported net profit in 2011 amounted to EUR 689 million and includes separation and integration-related costs of EUR 271 million net of tax. The underlying net profit, which excludes these costs, was EUR 960 million.

Underlying results

(in millions)	*Full year 2011*	*Full year 2010*	*Change*
Net interest income	*4,998*	*4,905*	*2%*
Net fee and commission income	*1,811*	*1,766*	*3%*
Other non-interest income	*985*	*988*	*0%*
Operating income	7,794	7,659	2%
Personnel expenses	*2,538*	*2,533*	*0%*
Other expenses	*2,457*	*2,802*	*-12%*
Operating expenses	4,995	5,335	-6%
Operating result	**2,799**	**2,324**	**20%**
Loan impairments	1,757	837	110%
Operating profit before taxes	**1,042**	**1,487**	**-30%**
Income tax expenses	82	410	-80%
Profit for the period	**960**	**1,077**	**-11%**

Other indicators

	31 December 2011	31 December 2010*
Underlying cost/income ratio	64%	70%
Return on average Equity (IFRS)	7.8%	8.9%
Return on average RWA (in bps)	85	93
RWA / Total assets	29%	31%
Assets under Management	146.6	164.2
FTEs (end of period)	24,225	26,161

**The 2010 average figures are based on year-end 2010 position instead of average*

The rapidly deteriorating macro-economic environment impacted the results over 2011. Substantially higher loan impairments eroded the second half profit completely. More than 80% of the full-year loan impairments were accounted for in the second half of 2011.

The results in both 2011 and 2010 were influenced by the following large items ("Large Items") and divestments ("Divestments").

Large Items

In 2011:

- Loan impairments (total amount of EUR 880 million, EUR 660 million after tax) on the Greek Government-Guaranteed Corporate Exposures highly impacted the results in the second half of the year. These legacy exposures, which were entered into around 2000, are loans and notes of Greek government-owned corporates guaranteed by the Greek state. An amount of EUR 380 million was taken in the fourth quarter of 2011.

- A EUR 187 million restructuring provision was recorded in 2011 for further restructurings and staff reductions.

- Several one-offs (totalling approximately EUR 150 million after tax) including items resulting from a further integration of systems and methodologies, gains on sales of participating interests and buildings and a release related to the Madoff provision, were recorded in the first half of 2011.

In 2010:

- 2010 included costs for capital instruments (EUR 195 million pre-tax - EUR 179 million after tax) and a credit protection instrument (EUR 140 million

pre-tax, EUR 104 million after tax), which were called or converted in the course of 2010.

- A gain of EUR 175 million pre-tax (EUR 130 million after tax) was recorded on the buyback of Upper Tier 2 capital instrument.

- In 2010, several large litigation provisions relating to international activities conducted in the past were taken by Private Banking and Merchant Banking (full net impact in 2010 EUR 265 million).

Impact of divestments

In 2011

During 2011 a number of divestments were completed. The results of these entities and the transaction results are included in the financial results up to the completion date of the sale and transfer.

- The sale of Prime Fund Solutions was completed on 2 May 2011. The sale did not materially impact earnings or regulatory capital. The results of Prime Fund Solutions were recorded in Group Functions.

- The sale of the international division of Fortis Commercial Finance to BNP Paribas Fortis was completed on 3 October 2011. The sale led to a small book loss and did not have a material impact on earnings or on regulatory capital. The results of the international division of Fortis Commercial Finance were recorded in Commercial Banking.

- The sale of the Swiss Private Banking activities to Union Bancaire Privée, UBP SA was finalised on 31 October 2011. The sale of these activities led to a book gain.

In 2010

For comparison purposes, the following activities were divested in 2010:

- Under the EC Remedy, the activities of New HBU II N.V. and IFN Finance B.V. were sold in December 2009 and transferred on 1 April 2010. The results of these activities were included in Group Functions until the date of completion of the sale (total negative transaction result of EUR 812 million after tax).

- Operating income rose by 2% year-on-year to EUR 7,794 million.

  In spite of several divestments and unfavourable economic circumstances, net interest income was 2% higher compared to 2010. The increase in interest income was driven mainly by volume growth of the commercial loan portfolio (Commercial & Merchant Banking, especially in ECT). This was partly offset by a combination of a decline in

mortgage loan volumes, pressure on deposit margins due to increased competition and higher funding spreads. The net interest margin, in basis points of average total assets, remained virtually unchanged at 125bps in 2011.

Fees and commissions were 3% higher in 2011 compared to 2010, due to lower costs for a credit protection instrument. Net fees and commissions were under pressure in 2011, due to lower transaction volumes as a consequence of adverse market conditions.

Other non-interest income remained flat compared to 2010. Excluding the impact of a gain on the sale of the Swiss Private Banking activities in 2011 and the buyback result on a subordinated note in 2010, other non-interest income would have showed a marked increase. This was mainly driven by good results in Commercial & Merchant Banking and several positive one-offs (recorded in the first half of 2011).

Out of total operating income, 82% was generated in the Netherlands and 14% came from the rest of Europe.

- Operating expenses dropped 6% to EUR 4,995 million in 2011. Excluding the impact of large items and divestments, operating expenses would have decreased by 2%.

  Personnel expenses, which included a EUR 187 million restructuring provision, remained unchanged in 2011 compared to 2010. Excluding the impact of the restructuring provision, personnel expenses would have decreased by 7% due to a reduction in the number of FTEs (resulting from divestments and the integration), though this was partly offset by higher pension costs and wage inflation.

  Other expenses decreased to EUR 2,457 million, down by 12% from 2010, which included EUR 305 million in litigation costs and provisions.

- The operating result grew sharply to EUR 2,799 million, up 20% from 2010. The underlying cost/income ratio improved to 64% in 2011 (from 70% in 2010). This improvement reflects the realisation of integration synergies and is in line with the targeted cost/income ratio of 60-65% set for year-end 2012 following the completion of the integration as well as the target of bringing the cost/income ratio structurally below 60% by 2014.

- Loan impairments rose substantially to EUR 1,757 million in 2011, up from EUR 837 million in 2010. The increase relates largely to loan impairments of EUR 880 million on Greek Government-Guaranteed Corporate Exposures. Excluding these, loan impairments would have gone up by EUR 40 million or 5%, caused by higher impairments in Commercial & Merchant Banking, predominantly in Commercial Banking. Loan impairments in Private Banking declined sharply.

  Total loan impairments over average RWA (‘cost of risk’) went up to 156bps in 2011 (from 72bps in 2010). Please note that the 2010 figures are based on year-end RWA position instead of average RWA. Excluding the impairments on the Greek Government-Guaranteed Corporate Exposures, this figure would have been 78bps for 2011.

- The underlying effective tax rate dropped to 8% in 2011 from 28% in 2010. The decline was largely driven by tax exempt gains and a tax provision release in 2011.

- The total number of full-time equivalents excluding temporary staff (FTEs) declined by 1,936 to 24,225 at year-end 2011 as a result of the integration as well as divestments of Prime Fund Solutions (-472), the international division of Fortis Commercial Finance (-492), and the Swiss Private Banking activities (-323).

- Assets under Management (AuM) decreased to EUR 146.6 billion, down from EUR 164.2 billion at year-end 2010. This decline was mainly caused by the negative market performance (EUR -9.3 billion) and disposal of the Swiss Private Banking activities, but was compensated by the acquisition of LGT Germany (net effect of disposal and acquisition was EUR -5.0 billion) and a net inflow of EUR 0.9 billion. Some legislative changes in the Netherlands[1] explain the remaining decline in AuM (EUR -4.2 billion).

- A final dividend of EUR 50 million to ordinary shareholders is proposed. On 1 September 2011, EUR 200 million was paid as an interim dividend on the ordinary shares.

6.4.3 Balance sheet of ABN AMRO Group

Statement of financial position

(in millions)	*31 December 2011*	*31 December 2010*
Cash and balances at central banks	7,641	906
Financial assets held for trading	29,523	24,300
Financial investments	18,721	20,197
Loans and receivables - banks	61,319	41,117
Of which securities financing activities	27,825	24,018
Loans and receivables - customers	272,008	273,944
Of which securities financing activities	*16,449*	*14,339*
Other	15,470	16,818
Total assets	**404,682**	**377,282**
Financial liabilities held for trading	22,779	19,982
Due to banks	30,962	21,536

[1] An amendment to the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) resulted in cancellation of the physical delivery of securities as of 1 July 2011, which means that investors have had to register physical securities with Euroclear Netherlands, the Dutch Central Securities Depositary.

Due to customers	213,616	209,466
Issued debt	96,310	86,591
Subordinated liabilities	8,697	8,085
Other	20,898	19,510
Total liabilities	**393,262**	**365,170**
Equity attributable to the owners of the parent company	11,400	12,099
Equity attributable to non-controlling interests	20	13
Total equity	**11,420**	**12,112**
Total liabilities and equity	**404,682**	**377,282**

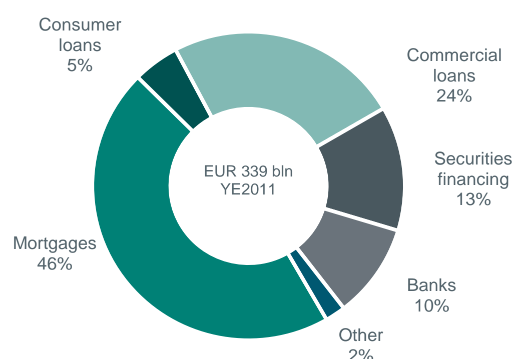
Due to a further refinement of accounting harmonisation in 2011, certain balance sheet line items were subject to netting adjustments and reclassifications. For further details, please refer to the section "Basis of presentation" in the Annual Financial Statements 2011.

- Total assets grew by EUR 27.4 billion to EUR 404.7 billion at year-end 2011. The increase was due mainly to the client-driven growth in securities financing activities, an increase in swaps derivatives volumes and the loan portfolio. In addition, market circumstances resulted in higher market valuations of derivatives and expansion of the cash component of the liquidity buffer.

  The year-end 2010 balance sheet includes activities divested in 2011. Please refer to Annex 5 for more details on these divestments.

- Cash and balances with central banks rose by EUR 6.7 billion to EUR 7.6 billion, predominantly due to overnight deposits placed at DNB.

Loans & receivables – customers & banks (pre impairments)



- Loans and receivables - banks rose sharply by EUR 20.2 billion, due mainly to a steady increase in client flows in securities financing activities, higher collateral requirements for the derivatives activities and the expansion of the liquidity buffer.

- Loans and receivables – customers decreased by EUR 1.9 billion to EUR 272.0 billion at the end of December 2011 as the net result of:

  (i) growth in client-driven securities financing volumes,

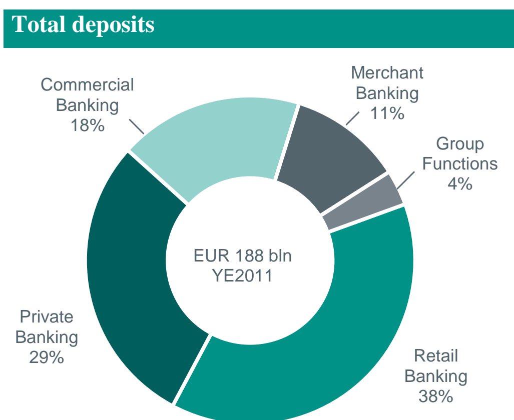
(ii) loans and receivables – customers excluding securities financing declined by EUR 4.0 billion. Growth in the loan portfolio of Commercial Banking and ECT (total ECT loan book was EUR 13.4 billion at year-end of December 2011) was more than offset by a decrease in the residential mortgage loan portfolio, predominantly due to accounting changes and lower new mortgage production, the divestment of the international division of Fortis Commercial Finance and a reduction in current accounts following a harmonisation of netting principles (impact of EUR 6.1 billion).

The bulk of the loan book is generated in the Netherlands (more than 90%), reflecting the fact that the majority of ABN AMRO's business mix is located in the Netherlands.

- Total liabilities went up by EUR 28.1 billion to EUR 393.3 billion mainly as a consequence of increased securities financing flows and a larger amount of issued debt outstanding.

- The increase in Due to banks was mainly the result of higher securities financing deposits.

- Due to customers increased by 2% as a result of growth in Retail and Private Banking deposits, which were offset by the sale of Prime Fund Solutions and the Swiss Private Banking activities, and the abovementioned reduction in current accounts of EUR 6.1 billion following a harmonisation of netting principles. In addition, a rise in securities financing deposits due to increased client flows was partly neutralised by a harmonisation of netting principles.



- Issued debt increased by EUR 9.7 billion. More details can be found in Liquidity Management & Funding section.

- Total equity decreased by 6% to EUR 11.4 billion, due to a change of EUR -1.2 billion in the special component of equity (SCE), partly offset by the retained part of the reported net profit. The SCE includes, amongst other things, the effective portion of fair market value fluctuations of interest rate derivatives used for macro cash flow hedge accounting relating to assets and liabilities not reported at fair market value. Fair value movements of derivatives that mirror cash flow variability (the effective portion) of hedges on non-trading assets and liabilities is recorded in the cash flow hedge reserve, part of the SCE. The remainder of fair value movements on the interest rate derivatives (ineffective portion) is recorded in the income statement.

6.4.4 Capital position

At year-end 2011, the Basel II capital ratios were 10.7% and 13.0% for Core Tier 1 and Tier 1 respectively and the total capital adequacy ratio was 16.8%.

The amounts of Core Tier 1, Tier 1 and Total capital were up from year-end 2010 levels. The increase in capital was partially offset by an increase in risk-weighted assets (RWA).

Regulatory capital Basel II

(in millions)	*31 December 2011*	*31 December 2010*
Total Equity (IFRS)	**11,420**	**12,112**
Participations in financial institutions	*- 299*	*- 301*
Other regulatory adjustments	*1,484*	*273*
Core Tier 1 capital	**12,605**	**12,084**
Non-innovative hybrid capital instruments	*1,750*	*1,750*
Innovative hybrid capital instruments	*994*	*1,000*
(Non-) Innovative Capital Instruments	2,744	2,750
Tier 1 Capital	**15,349**	**14,834**
Subordinated liabilities Upper Tier 2	*178*	*173*
Subordinated liabilities Lower Tier 2	*4,709*	*4,747*
Sub-Debt (Tier 2)	4,887	4,920
Participations in financial institutions	- 299	- 301
Other regulatory adjustments	- 80	- 117
Total Capital	**19,857**	**19,336**
Risk-Weighted Assets	**118,286**	**116,328**
Credit Risk (RWA)	101,609	99,577
Operational Risk (RWA)	13,010	14,461
Market Risk (RWA)	3,667	2,290
Core Tier 1 ratio	**10.7%**	**10.4%**
Tier 1 ratio	**13.0%**	**12.8%**
Total Capital ratio	**16.8%**	**16.6%**

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

6.4.4.1 Main changes in the capital position

Core Tier 1 capital

The net reported profit attributable to shareholders in 2011 amounted to EUR 665 million, of which EUR 402 million or 60% was included in Core Tier 1 capital in accordance with regulations. A total dividend of EUR 263 million (including preferred dividend) is proposed for 2011, of which EUR 200 million was paid out as interim dividend on the ordinary shares in September 2011.

Total equity (based on EU-IFRS) decreased to EUR 11.4 billion, from EUR 12.1 billion at year-end 2010. This decrease was due mainly to a change in the SCE (impact of EUR -1.2 billion), partly offset by the retained part of the reported net profit. In the calculation of regulatory capital the effect of the change in the SCE is eliminated in the line item Other regulatory adjustments.

Tier 2 capital

In April 2011, ABN AMRO issued EUR 1.2 billion and USD 0.6 billion of new long dated Lower Tier 2 notes (LT2), predominantly in an exchange for LT2 notes that were not expected to be grandfathered under the Basel III transitional rules. The newly issued LT2 notes are expected to qualify for grandfathering (Based on the draft CRD IV of 20 July 2011) . In June 2011, ABN AMRO issued USD 113 million (EUR 87 million at year-end 2011) of new LT2 notes under an exchange and tender offer for subordinated deposit notes originally issued by RBS N.V., which notes could not be transferred from RBS N.V. to ABN AMRO at the time of the Legal Demerger.

6.4.4.2 Risk-weighted assets

The net RWA increase of EUR 2.0 billion in 2011 was mainly caused by business growth (EUR 6.3 billion) and model changes (EUR 2.2 billion). The increase was partly offset by ongoing data quality improvements (EUR - 2.8 billion), combined with a decrease in operational risk RWA (EUR -1.5 billion). Furthermore, the capital requirement for the so-called Credit Umbrella with Deutsche Bank decreased (EUR-0.9 billion) due to a decline of the covered portfolio and changes in regulatory requirements.

6.4.4.3 Basel III/CRD IV

The introduction of Basel III in CRD IV (proposal for a European regulation and directive) is expected to translate the current Basel II capital ratios into lower capital ratios as of 2013. Under the new rules, capital requirements are expected to increase and additional capital deductions and prudential filters are to be introduced. The CRD IV draft stipulates that the new rules are to be implemented using a phased-in approach. Based on current insights, ABN AMRO believes it is relatively well positioned to meet the January 2013 minimum capital requirements.

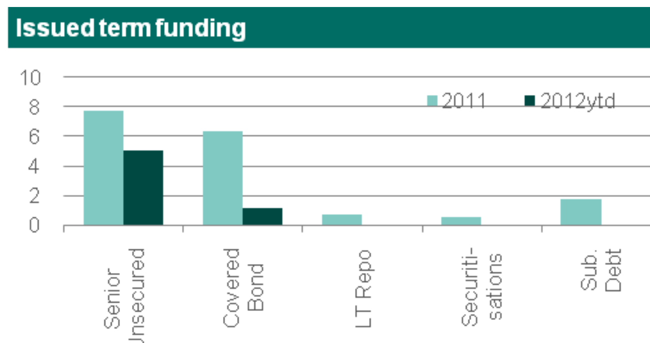
Impact of Basel III on capital ratios			
31 December 2011	***Basel II***	***Basel III Jan 2013***	***Basel III full phase in Jan 2013****
Core Tier 1 / Common Equity Tier 1 ratio	10.7%	9.7%	8.4%
Tier 1 ratio	13.0%	11.6%	10.3%
Total capital ratio	16.8%	13.3%	12.0%

January 2013 Basel III rules including transitional arrangements for capital instruments combined with the application of full phase-in rules for capital deductions, prudential filters and RWA-adjustments

ABN AMRO's leverage ratio, based on the draft Basel III rules, was 3.3% at year-end 2011 (unchanged from 2010), using current Basel II Tier 1 capital as a basis.

6.4.5 Liquidity Management & Funding

ABN AMRO attracts most of its funding through its R&PB and C&MB network and in part through wholesale funding (total issued debt was EUR 96.3 billion in 2011) and interbank markets.



ABN AMRO successfully completed its 2011 funding activities, while improving the loan-to-deposit ratio and the funding profile, and diversified its funding sources and currencies. A total of EUR 17.2 billion of term funding was issued among a widespread investor base in 2011, of which EUR 2.5 billion of funding was termed out. Of the funding raised in 2011, 65% was raised through benchmark transactions including an inaugural senior unsecured transaction targeted at US investors (USD 2.0 billion) which improved geographical diversification. The remainder was attracted through private placements. Furthermore, EUR 1.6 billion of LT2 notes were issued, predominantly in an exchange for LT2 notes that were not expected to be grandfathered under Basel III.

The amount of long-term funding issued in 2011 exceeded the EUR 8.2 billion of 2011 maturing long-term funding by EUR 9.0 billion and improved ABN AMRO's funding profile. The excess has been applied to pre-fund part of the 2012 refinancing requirement and to finance a buyback of EUR 2.7 billion of Dutch Government-Guaranteed bonds conducted in April 2011. As a result of the buyback, the amount of outstanding Dutch government-guaranteed bonds declined to EUR 4.8 billion at 31 December 2011.

Several benchmark and private placement transactions were issued in January and February 2012, successfully raising over EUR 6.2 billion in various currencies - including USD, GBP, CHF, NOK and EUR - in maturities ranging up to 20 years.

Liquidity parameters

	31 December 2011	*31 December 2010*
Loan to deposit ratio (LtD)	130%	135%
Stable funding / Non-liquid assets ratio (SF/NLA)	106%	104%
Liquidity Coverage Ratio (LCR)	69%	c. 60%
Net Stable Funding Ratio (NSFR)	100%	c. 100%
Available Liquidity buffer (in EUR billion)	58.5	47.9

The loan-to-deposit ratio improved to 130% on 31 December 2011, down from 135% on year-end 2010 mainly as a result of the growth of deposits more than offsetting the increase in the loan portfolio, and in part as a result of the changed methodology (impact two percentage points).

Stable funding over non-liquid asset ratio (SF/NLA) shows the extent to which core (non-liquid) assets are covered by stable funding. This ratio improved to 106% on 31 December 2011, up from 104% at year-end 2010[2], due to a rise in long-term debt versus a decrease in (long-term) customer loans.

A liquidity buffer of unencumbered assets is retained as a safety cushion in the event of severe liquidity stress. The liquidity buffer portfolio mainly consists of retained RMBS, government bonds and cash and was EUR 58.5 billion in liquidity value at year-end 2011, up by EUR 10.6 billion from year-end 2010. The portion of readily available cash and central bank deposits was considerably higher at year-end 2011 compared with year-end 2010and included an amount of surplus cash in short-term USD. The cash position was intentionally enlarged to guard against any unforeseen circumstances in the volatile markets of 2011. The intra-year decrease of the liquidity buffer has been fully recovered due to the restructuring of certain RMBS notes into newly issued ECB eligible RMBS notes (all structured on in-house originated prime Dutch mortgages).

Basel III introduces two liquidity ratios: the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). At present, the LCR and NSFR are reported to regulators. Regulatory minimum requirements for both the LCR and NSFR are expected to be 100%. Based on the current interpretation thereof, the LCR was 69% and the NSFR was 100% at the end of December 2011. ABN AMRO targets compliance with Basel III liquidity regulation by 2013 at the latest.

[2] Deviates from previously reported SF/NLA due to further refinement of accounting harmonisation. For details see note 1 of the Annual Financial Statement included in the Annual Report 2011.

6.4.6 Risk management

The Dutch housing market continued to slow down in 2011, with slightly declining property prices in real terms and consequently increasing residual debt. Impaired ratios[3] for residential mortgages increased slightly to 0.9% compared to 0.7% in 2010. Average loss rates[4] for mortgages in 2011 remained low at 9bps.

Only 14% of the residential mortgage portfolio, which was EUR 155.2 billion at 31 December 2011has a loan-to-market value of above 100%[5]. 56% of the portfolio consists of interest-only mortgages at year-end 2011, in line with the Dutch mortgage market. This percentage is expected to decrease as from 2012. In accordance with the new mortgage lending code of conduct, ABN AMRO has only granted interest-only mortgages at a maximum of 50% of the property value since August 2011. At year-end 2011, approximately 21% of the portfolio was guaranteed by a Dutch government-guaranteed agency (NHG).

The impaired ratio for commercial loans increased from 4.7% to 6.6% in 2011, mainly due to large impairments taken on the Greek Government-Guaranteed Corporate Exposures. The ECT loan portfolio remained sound, with an impaired ratio of 0.4%.

The overall coverage ratio remained stable at 60.5% on 31 December 2011 compared to 60.5% at year-end 2010.

[3]The impaired portfolio consists of Non-Performing Loans (more than 90 days past due) for which an impairment has been taken and loans that are less than 90 days past due for which an impairment has been taken. The impaired ratio is the impaired portfolio divided by total outstandings.

[4] Net credit loss (write-offs minus recoveries).

[5] The remainder has a Loan-to-market value below 100% is unclassified (6%) or is NHG (Mortgage loans guaranteed by a Dutch government-guaranteed agency).

6.4.6.1 Government and government-guaranteed exposures

Total exposure to government bonds from Spain (EUR 0.1 billion) and Italy (EUR 0.3 billion) accounted for 0.1% of the balance sheet total as per 31 December 2011. There was no direct government debt exposure to Greece, Portugal or Ireland.

EU Government & government-guaranteed exposures

(in billions)	*Government*	*Government Guaranteed*	*31 Dec. 2011 Total*	*31 Dec. 2010 Total*	*Change 2011 Total*
Netherlands	11.7	1.4	13.1	8.9	4.2
Germany	2.8	0.5	3.3	2.1	1.2
France	2.4	-	2.4	2.3	0.1
Greece	-	1.3	1.3	1.4	- 0.1
Austria	1.3	-	1.3	0.9	0.4
EU	0.7	-	0.7	-	0.7
Belgium	0.5	0.1	0.6	2.6	- 2.0
UK	0.5	-	0.5	0.9	- 0.4
Italy	0.3	-	0.3	1.3	- 1.0
Finland	0.3	-	0.3	0.1	0.2
Poland	0.2	-	0.2	0.3	- 0.1
Spain	0.1	-	0.1	0.1	-
Portugal	-	-	-	0.2	- 0.2
Ireland	-	-	-	0.1	- 0.1
Total	**20.8**	**3.3**	**24.1**	**21.2**	**2.9**

** GBP denominated exposure*

The exposures are presented on a gross basis before impairments, without recognising the benefit of risk mitigation such as hedges, collateral, and short positions across issuers. The comparative exposures per the end of 2010 have been adjusted to exclude deposits with central banks. The figures for the Netherlands exclude consumer loans with are Dutch State guaranteed (such as government-guaranteed mortgages). The majority of the government and government-guaranteed exposures are part of the financial investments available for sale and are mainly held for liquidity management purposes. Some of the exposures, mainly in Greece and the Netherlands, are recorded in loans and receivables at amortised cost.[6]

[6] Please refer to note 16 of the Annual Financial Statements included in the Annual Report 2011 for a breakdown by country of the fair values and respective unrealised gains or losses.

Exposures to Italy decreased year-on-year mainly due to active management. Outstanding debt from Ireland and Portugal was redeemed in full according to scheduled maturities.

ABN AMRO holds EUR 1.3 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 exposures are recorded in loans and receivables at amortised cost. As these exposures are not quoted in an active market, fair values have been determined by applying a present value approach. Future cash flows have been discounted using a risk-adjusted interest rate which is based on market observable information for similar debt exposures. The fair values reduced significantly to 21% of the gross book values at 31 December 2011 (31 December 2010: 81%).

On 24 February 2012 the Ministry of Finance of Greece issued a press release regarding the revised Private Sector Involvement (PSI) programme. The majority of the exposures held by ABN AMRO appear on this list. ABN AMRO's exposures fall into the category 'Foreign Law Guaranteed Titles' as these were issued by Greek corporates with a guarantee provided by the Greek government and are governed by UK law. At this moment ABN AMRO is examining the current PSI programme, as there seems to be no consistency in the corporate government-guaranteed loans and notes appearing on the list.

To date, all obligations have been met. Redemptions of a total amount of EUR 190 million were made in 2011reducing the total gross exposure to EUR 1.3 billion. We have impaired those exposures included in the list to 25% of notional value. This resulted in an additional impairment of EUR 380 million in the fourth quarter, bringing the total amount of impairments in 2011 to EUR 880 million.

6.4.7 Integration

Most of the integration projects have now been successfully completed. In November 2011, almost all Commercial and all Private Banking clients were migrated to a single IT platform, involving a total of around 100,000 clients. With this operation successfully completed, more than 99% of all former FBN clients have now been transferred.

The integration also includes the divestment of a total of 114 buildings and termination of 144 rental contracts by the end of 2012. By the end of December 2011, 76 buildings had been divested and 124 rental contracts had been terminated.

The remaining integration activities, which are much smaller in size, are on track and are expected to be finalised by 2012, as planned and within the original overall budget of EUR 1.6 billion. Integration synergies accounted for approximately EUR 750 million at year-end 2011, and management expects to reach the synergy target of EUR 1.1 billion per annum as per 1 January 2013, as previously communicated.

6.4.8 Customer Excellence

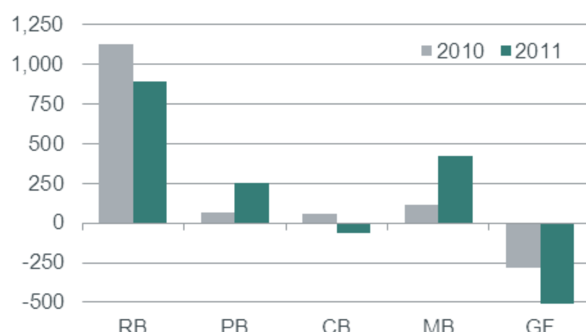
Ahead of the completion of the integration by the end of 2012, ABN AMRO is working ambitiously to operate in a more efficient, client-driven way, leading to a more agile organisation and better and faster service.

ABN AMRO has introduced Customer Excellence, a new way of working, which combines customer focus and operational excellence and is based on lean management principles. Putting Customer Excellence into practice entails an organisational transformation, one which should enable the bank to achieve better service delivery to clients, more efficient processes and more motivated staff. Customer Excellence is not only about major operational changes, but also about small improvements which help raise client and employee satisfaction across the organisation. Financially, Customer Excellence is one of the elements which should help the bank achieve its target of reducing the cost/income ratio to structurally below 60% by 2014. Customer Excellence will be deployed across the organisation until 2014.

6.4.9 Results for 2011 by segments

ABN AMRO is organised into Retail & Private Banking, Commercial & Merchant Banking and Group Functions. For financial reporting purposes, the Managing Board adopted a further refinement of the segment reporting in 2011as follows: Retail Banking, Private Banking, Commercial Banking, Merchant Banking and Group Functions. As from 2011, the majority of the costs of Group Functions have been allocated to business segments[7]. This change affects the year-on-year segment comparison. Full segment details can be found in paragraphs 6.4.9.1 through to 6.4.9.3.

Underlying net profit by segment



Retail Banking posted a profit of EUR 888 million, down EUR 239 million from 2010, due to the transfer of activities to other segments[8] and higher internal cost allocation, increased margin pressure in deposits and lower fee-generating activities.

Private Banking recorded a EUR 255 million profit, up from EUR 64 million in 2010, due largely to a gain on the sale of the Swiss Private Banking activities[9] and the absence of high litigation costs and provisions (included in 2010).

Commercial Banking made a loss of EUR 64 million in 2011, compared with a profit of EUR 57 million in 2010, as costs rose due to higher internal cost allocation, the rebuilding of the presence lost in EC Remedy areas and the international network, and loan impairments increased.

Merchant Banking posted a profit of EUR 421 million, up from EUR 115 million in 2010, driven primarily by higher operating income levels in LC&MB[10] (including ECT), lower costs and low loan impairments.

[7] Items that are not allocated to the businesses include the operating results from ALM/Treasury, general restructuring charges, certain integration costs, and costs for the Dutch Deposit Guarantee Scheme.

[8] For example, the transfer of the SME portfolio from Retail Banking to Commercial Banking.

[9] Please refer to Annex 5: Large Items and Divestments.

[10] Large Corporates & Merchant Banking, one of the businesses of Merchant Banking.

Group Functions posted a loss of EUR 540 million in 2011. Group Functions recorded higher operating income and lower operating expenses, due to reallocation of internal costs to the business segments; the loss was caused by the loan impairments on the Greek Government-Guaranteed Corporate Exposures and a restructuring provision.

6.4.9.1 Underlying results of Retail & Private Banking

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

Underlying results R&PB

	Retail Banking			*Private Banking*			*R&PB Total*	
(in millions)	*FY 2011*	*FY 2010*	*Change*	*FY 2011*	*FY 2010*	*Change*	*FY 2011*	*FY 2010*
Net interest income	*2,671*	*2,945*	*-9%*	*558*	*485*	*15%*	*3,229*	*3,430*
Net fee and commission income	*490*	*504*	*-3%*	*578*	*652*	*-11%*	*1,068*	*1,156*
Other non-interest income	*51*	*90*	*-43%*	*166*	*89*	*87%*	*217*	*179*
Operating income	3,212	3,539	-9%	1,302	1,226	6%	4,514	4,765
Personnel expenses	*499*	*557*	*-10%*	*484*	*513*	*-6%*	*983*	*1,070*
Other expenses	*1,266*	*1,210*	*5%*	*506*	*541*	*-6%*	*1,772*	*1,751*
Operating expenses	1,765	1,767	0%	990	1,054	-6%	2,755	2,821
Operating result	**1,447**	**1,772**	**-18%**	**312**	**172**	**81%**	**1,759**	**1,944**
Loan impairments	276	271	2%	16	71	-77%	292	342
Operating profit before taxes	**1,171**	**1,501**	**-22%**	**296**	**101**		**1,467**	**1,602**
Income tax expenses	283	374	-24%	41	37	11%	324	411
Profit for the period	**888**	**1,127**	**-21%**	**255**	**64**		**1,143**	**1,191**

Certain small and medium-sized enterprise clients were included in the results of R&PB until November 2010. As from that date, these results were included in C&MB. The full P&L effect of this transfer was shown in 2011.

Other indicators

	Retail Banking		Private Banking		R&PB Total	
	31 Dec 2011	*31 Dec 2010**	*31 Dec 2011*	*31 Dec 2010**	*31 Dec 2011*	*31 Dec 2010**
Underlying cost/income ratio	55%	50%	76%	86%	61%	59%
Loan to deposit ratio	218%	240%	28%	31%	137%	149%
Loans and receivables customers (in EUR billion)	162.6	167.5	16.0	16.4	178.5	184.0
Of which: mortgages (in EUR billion)	*151.5*	*155.2*	*3.6*	*4.2*	*155.1*	*159.4*
Due to customers (in EUR billion)	72.0	69.7	54.3	53.5	126.3	123.2
RWA (in EUR billion)	32.3	35.1	13.8	14.5	46.1	49.6
Return on RWA	272	321	187	44	247	240
FTEs (end of period)	6,680	7,116	3,746	4,016	10,426	11,132

**The 2010 average figures are based on year-end 2010 position instead of average*

Retail Banking

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

Despite lower expenses, Retail Banking's net profit 2011 came down by EUR 239 million to EUR 888 million. This decrease was mainly the result of the transfer of SME portfolios to Commercial Banking and a mismatch result to Group Functions.

- Operating income for 2011 showed a marked decline of EUR 327 million to EUR 3,212 million.

  Net interest income decreased by EUR 274 million to EUR 2,671 million, mainly as the result of the abovementioned transfers (total impact of EUR 189 million).

  In addition to these transfers, both loan margins and volumes shrank over the course of 2011. The total loan portfolio decreased by 3% to EUR 162.6 billion. Net interest income on the mortgage portfolio declined as a result of a lower average volume and lower margins on mortgages with a variable interest rate.

The average volume of client deposits grew compared to year-end 2010. However, the positive volume impact was offset by lower margins due to increases in client rates throughout the year as competition in the savings market increased.

Net fee and commission income decreased by EUR 14 million to EUR 490 million due to lower transaction volumes as a result of economic uncertainty.

Other non-interest income showed a EUR 39 million decrease, as results from joint ventures and other equity accounted investments in 2011 were lower compared to 2010. In addition, 2010 included a one-off gain on the sale of a mortgage portfolio.

- Operating expenses were flat compared to 2010, as integration synergies and the transfer of activities to Group Functions and Commercial Banking were fully offset by higher internal cost allocation.

  Personnel expenses came down by 10% due to the integration of the branch network, which led to a reduction in the number of FTEs, and the transfer of activities and related personnel to C&MB and Group Functions.

  Other expenses increased by 5%. The cost benefits from the transfer of activities to Group Functions were more than offset by an increase in allocated costs.

- The operating result decreased by 18% and the cost/income ratio went up to 55% from 50% in 2010.

- Loan impairments increased marginally to EUR 276 million. Despite the economic circumstances, impairments on the mortgage portfolio were marginally lower. Impairments on consumer loans slightly increased. The combination of an increase of loan impairments and a decrease in RWA resulted in an increase in the cost of risk by 7bps to 84bps over 2011.

- RWA were EUR 2.8 billion lower than in 2010, due mainly to a reduction of RWA add-ons following the completion of the integration of the former FBN and ABN AMRO IT systems.

- Loans and receivables – customers decreased by EUR 4.9 billion to EUR 162.6 billion, mainly due to the transfer of an SME portfolio to Commercial Banking in 2011 and a decline in the mortgage portfolio.

  More than 90% of Retail Banking's loan book is comprised of prime Dutch residential mortgages. The residential mortgage portfolio decreased by EUR 3.7 billion, approximately half of which was related to a reclassification (consumer loans collateralised with residential property) to consumer loans (no impact on total movement of Loans and receivables - customers). The current economic downturn combined with uncertainty regarding the fiscal treatment of mortgage interest contributed to a decrease in the number of transactions.

  Excluding the abovementioned reclassification, consumer loans declined somewhat. The decrease occurred predominantly in the first half of the year, as households used their holiday payments to redeem loans. The total market volume for consumer loans was virtually stable compared to 2010.

- Due to customers rose by EUR 2.3 billion to EUR 72.0 billion at year-end 2011. This growth was realised in a highly competitive market and was evenly divided over the first and second halves of the year. The increase in the second half of 2011 was driven mainly by the successful launch of MoneYou in Germany.

- FTEs in Retail Banking decreased by 436 to 6,680 at 31 December 2011, mainly due to further optimisation of the branch network and the closing of branches as part of the integration.

Private Banking

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 under the brand name ABN AMRO MeesPierson in the Netherlands and internationally under ABN AMRO Private Banking and local brands such as Banque Neuflize OBC in France and Bethmann Bank in Germany.

Private Banking's net profit increased by EUR 191 million to EUR 255 million as a result of a book gain on the sale of Swiss Private Banking activities, lower operating expenses and lower loan impairments.

- Operating income improved by 6% to EUR 1,302 million, driven mainly by higher interest results and a book gain on the sale of the Swiss Private Banking activities in 2011.

  A 15% increase in net interest income to EUR 558 million was the result of higher deposit volumes and better margins.

  Net fee and commission income decreased by 11% as clients switched partly out of investments into cash during 2011.

  Other non-interest income increased to EUR 166 million from EUR 89 million, mainly driven by a gain on the sale of the Swiss Private Banking activities.

- Operating expenses declined by 6% or EUR 64 million. Operating expenses in 2010 included legal provisions that did not recur in 2011. Adjusted for these legal provisions, operating expenses increased slightly as a result of one-off IT costs and higher internal cost allocation.

- Operating result improved significantly from EUR 172 million to EUR 312 million and the cost/income ratio improved to 76% from 86%.

- Loan impairments were significantly lower due to a combination of releases and considerably lower loan impairments compared to the high levels of 2010.

- RWA decreased by 5% mainly due to the harmonisation of models.

- Loans and receivables - customers decreased by 3% to EUR 16 billion mainly as a result of the sale of the Swiss Private Banking activities. The mortgage portfolio of Private Banking

amounted to EUR 3.6 billion; the remainder relates mainly to the International Diamond & Jewelry Group activities.

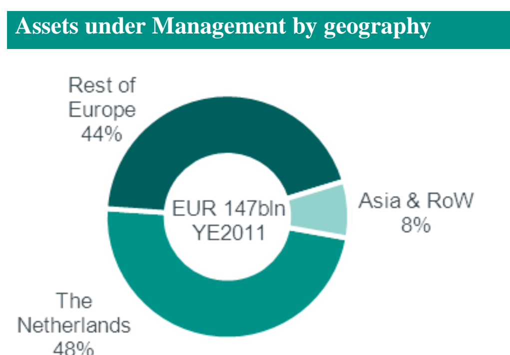
- Despite the sale of the Swiss Private Banking activities, Due to customers increased as selected retail clients were migrated to Private Banking, new inflow in deposits was recorded and clients sold their securities and moved to cash.

- Assets under Management (AuM) decreased by EUR 17.6 billion to EUR 146.6 billion. This decline was mainly caused by a negative market performance and the disposal of the Swiss Private Banking activities partly compensated by the acquisition of LGT Germany and a net inflow of EUR 0.9 billion. Legislative changes in the Netherlands[11] also resulted in a decline in AuM.

Assets under Management developments

(in billions)	*2011*	*2010*
Balance on 1 January	**164.2**	**149.7**
Net new assets	0.9	0.6
Market performance	-9.3	10.5
Divestments/Acquisitions	-5.0	-
Legislative changes	-4.2	-
Other	-	3.4
Balance on 31 December	**146.6**	**164.2**

Assets under Management by geography



As a result of the EC state aid investigation, ABN AMRO had to offer Private Banking clients in the Netherlands the possibility to transfer their portfolios to another bank at no cost during a period of two months starting at the end of July 2011. Fewer than 200 clients made use of this option, with no material impact on AuM or on operating income.

Most of the AuM were generated in Europe and were equally divided between the Netherlands and the rest of Europe.

- The number of FTEs decreased by 270 mainly as a result of the sale of the Swiss Private Banking activities (-323) partly offset by the acquisition of LGT Deutschland in Germany (112).

[11] An amendment to the Dutch Securities Giro Transfer Act has resulted in cancellation of the physical delivery of securities as of 1 July 2011, which means that investors have had to register physical securities with Euroclear Netherlands, the Dutch Central Securities Depositary.

6.4.9.2 Underlying results of Commercial & Merchant Banking

C&MB is organised into Commercial Banking and Merchant Banking.

Underlying results C&MB

	Commercial Banking			*Merchant Banking*			*C&MB Total*	
(in millions)	***FY 2011***	***FY 2010***	***Change***	***FY 2011***	***FY 2010***	***Change***	***FY 2011***	***FY 2010***
Net interest income	*1,231*	*1,199*	*3%*	*546*	*390*	*40%*	*1,777*	*1,589*
Net fee and commission income	*366*	*375*	*-2%*	*364*	*318*	*14%*	*730*	*693*
Other non-interest income	*80*	*91*	*-12%*	*420*	*302*	*39%*	*500*	*393*
Operating income	1,677	1,665	1%	1,330	1,010	32%	3,007	2,675
Personnel expenses	*342*	*339*	*1%*	*285*	*236*	*21%*	*627*	*575*
Other expenses	*805*	*695*	*16%*	*575*	*727*	*-21%*	*1,380*	*1,422*
Operating expenses	1,147	1,034	11%	860	963	-11%	2,007	1,997
Operating result	**530**	**631**	**-16%**	**470**	**47**		**1,000**	**678**
Loan impairments	606	538	13%	27	- 20		633	518
Operating profit before taxes	**- 76**	**93**		**443**	**67**		**367**	**160**
Income tax expenses	- 12	36		22	- 48		10	- 12
Profit for the period	**- 64**	**57**		**421**	**115**		**357**	**172**

Certain small and medium-sized enterprise clients were included in the results of R&PB until November 2010. As from that date, these results were included in C&MB. The full P&L effect of this transfer was shown in 2011.

Other indicators

	Commercial Banking		*Merchant Banking*		*C&MB Total*	
	31 Dec 2011	*31 Dec 2010**	*31 Dec 2011*	*31 Dec 2010**	*31 Dec 2011*	*31 Dec 2010**
Underlying cost/income ratio	68%	62%	65%	95%	67%	75%
Loan to deposit ratio	122%	109%	137%	120%	128%	113%
Loans and receivables customers (in EUR billion)	41.9	42.4	46.6	42.4	88.5	84.7
Due to customers (in EUR billion)	34.0	39.0	46.6	37.7	*80.7*	*76.7*
RWA (in EUR billion)	28.3	29.3	36.1	32.1	64.4	61.4
Return on RWA	-23	19	131	36	60	28
FTEs (end of period)	3,547	4,013	1,998	1,836	5,545	5,849

**The 2010 average figures are based on year-end 2010 position instead of average*

Commercial Banking

Commercial Banking serves commercial clients with annual turnover up to EUR 500 million and clients in the public sector, commercial finance and leasing. Commercial Banking consists of two business lines: Business Banking and Corporate Clients.

Net profit for Commercial Banking was impacted by high loan impairments both in 2010 and 2011. In addition, profitability was affected by higher internal cost allocations starting from 2011.

- Operating income, at EUR 1,677 million, remained virtually unchanged compared to 2010.

  Net interest income increased by 3% to EUR 1,231 million, partly due to the transfer of activities from Retail Banking. Lower margins on corporate loans were offset by higher margins on deposits. Loan volumes increased marginally, while deposit volumes decreased marginally.

  Net fee and commission income decreased by 2%, due largely to lower payment fees and the sale of the international division of Fortis Commercial Finance in 2011.

- Operating expenses increased by EUR 113 million due to higher allocation of internal costs.

  Personnel expenses remained flat. The increase in other expenses was due to higher allocation of internal costs.

- The operating result decreased by 16% and the cost/income ratio increased to 68% from 62% in 2010.

- Loan impairments amounted to EUR 606 million in 2011, an increase of EUR 68 million compared to 2010. Loan impairments rose in the second half of 2011 compared with the first half of 2011 as the Dutch economy slid into recession. Impairment levels were already elevated in 2010. As a result, risk costs increased to 221bps, up 37bps from 2010 levels (the 2010 figures are based on year-end RWA position instead of average RWA). The sectors impacted in 2011 were mainly real estate, construction and industrial goods & services.

- RWA at year-end 2011 were EUR 28.3 billion, only a fraction lower compared to 2010.

- Loans and receivables – customers decreased by EUR 0.5 billion to EUR 41.9 billion. The sale of the international division of Fortis Commercial Finance resulted in a decline of EUR 1.1 billion. The technical migration of all commercial clients to a single IT platform led to a harmonisation of netting of certain current accounts which decreased Loans and receivables - customers as well as Due to customers by EUR 4.0 billion in Q4 2011. This decline was partly offset by growth in loans to commercial clients.

- Due to customers was EUR 34.0 billion at year-end 2011 compared to EUR 39.0 billion at year-end 2010. The decrease of EUR 5.0 billion was mainly related to the abovementioned netting of current accounts. A limited decline in SME deposits was recorded.

- The number of FTEs declined by 12% mainly due to the sale of the international division of Fortis Commercial Finance.

Merchant Banking

Merchant Banking serves Netherlands-based corporates, financial institutions and real estate investors as well as international companies active in Energy, Commodities & Transportation (ECT). Merchant Banking is organised into two business lines: Large Corporates & Merchant Banking (LC&MB) which includes ECT and Private Equity, and Markets which includes the Clearing activities.[12]

Net profit improved significantly to EUR 421 million as a result of higher operating income and the absence of large litigation provisions in 2011.

- Operating income improved by 32% or EUR 320 million compared to 2010.

  Net interest income increased by 40% to EUR 546 million, due mainly to higher revenue levels at LC&MB and stable income at Clearing (Clearing refers to ABN AMRO Clearing Bank N.V.), offset by lower income in Markets (sales and trading) as a consequence of market circumstances.

[12] Clearing refers to ABN AMRO Clearing Bank N.V.

Net fee and commission income remained stable and was generated mainly at Clearing and LC&MB.

Other non-interest income increased by 39% to EUR 420 million and was mainly driven by favourable Private Equity results. However, slow market circumstances and increased volatility brought down other non-interest income in Markets in the second half of 2011.

- Operating expenses decreased by EUR 103 million to EUR 860 million due to large litigation provisions taken in 2010. Internal cost allocation increased compared to 2010.

  Personnel expenses increased by EUR 49 million to EUR 285 million due mainly to an increase in FTEs following the rebuilding and growth of the businesses.

  Other expenses decreased by EUR 152 million to EUR 575 million. Adjusted for the large litigation provisions taken in 2010, other expenses increased mainly as the result of higher cost allocations from Group Functions.

- The operating result increased and the cost/income ratio improved to 65% from 95% in 2010.

- Loan impairments in 2011 amounted to EUR 27 million. Both in 2010 and in the first half of 2011, releases of loan impairments previously taken were recorded. However, this trend reversed in the second half of 2011, when several impairments were taken in the real estate portfolio. Risk costs (8bps in 2011), however, remained at very low levels.

- RWA increased from EUR 32.1 billion to EUR 36.1 mainly due to business growth.

- An increase in Loans and receivables – customers of EUR 4.2 billion was driven by growth in the ECT loan portfolio, an increase in securities financing activities and small growth at Clearing. The growth of the loan portfolio was partly offset by a reduction in current accounts following a harmonisation of netting principles.

- Due to customers increased by almost EUR 8.9 billion to EUR 46.6 billion at the end of December 2011. This growth was predominantly the result of increased client flows at Clearing and securities financing activities.

- The number of FTEs rose by 162 due to continued efforts to rebuild the capabilities and growth of the business.

6.4.9.3 Underlying results of Group Functions

Group Functions supports the business segments and consists of Technology, Operations & Property Services (TOPS); Finance; Risk Management & Strategy; Integration, Communication & Compliance (ICC); 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 Group Functions

(in millions)	*FY 2011*	*FY 2010*	*change*
Net interest income	*-8*	*-111*	*-93%*
Net fee and commission income	*13*	*-83*	*-116%*
Other non-interest income	*268*	*413*	*-35%*
Operating income	273	219	25%
Personnel expenses	928	888	5%
Other expenses	*-695*	*-371*	87%
Operating expenses	233	517	-55%
Operating result	**40**	**-298**	**-113%**
Loan impairments	832	-23	
Operating profit before taxes	**-792**	**-275**	
Income tax expenses	-252	11	
Profit for the period	**-540**	**-286**	**89%**

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

Other items

	31 Dec. 2011	*31 Dec. 2010*
Loans and receivables customers (in billions)	5.0	5.2
Due to customers (in billions)	6.7	9.6
Risk-Weighted Assets (in billions)	7.8	5.3
FTEs (end of period)	8,254	9,179

The net result declined by EUR 254 million to a loss of EUR 540 million as a result of significant loan impairments on the Greek Government-Guaranteed Corporate Exposures and a restructuring provision.

- Operating income in 2011 improved to EUR 273 million from EUR 219 million in 2010.

  Net interest income improved significantly to EUR -8 million from a net interest cost of EUR 111 million in 2011. The improvement was due largely to the absence of interest cost for

capital instruments (see the Large Items as set out in paragraph 6.4.2) and a risk transfer from R&PB, partially offset by higher funding costs and the impact of Divestments.

Net fee and commission income improved by EUR 96 million to EUR 13 million from 2010, largely driven by the absence of fees paid for a credit protection instrument in 2010 and offset by the impact of Divestments.

Other non-interest income dropped by EUR 145 million to EUR 268 million due mainly to a EUR 175 million gain on the buyback of a subordinated note in 2010.

- Operating expenses in 2011 declined by 55% to EUR 233 million mainly due to the revised cost allocation.

  Personnel expenses increased in 2011, as a EUR 187 million restructuring provision for further restructurings and staff reductions was taken in 2011. This increase was partly offset by the effect of the 2010 divestments.

  Other expenses improved predominantly as a consequence of a change in cost allocations, which shifts costs from Group Functions to the businesses, partially offset by EUR 27 million additional charges for the deposit guarantee scheme relating to the subordinated deposits of DSB.

- Loan impairments were up significantly to EUR 832 million in 2011 as a result of EUR 880 million of loan impairments on the Greek Government-Guaranteed Corporate Exposures.

- The number of FTEs dropped by 925 to 8,254 FTEs. The decrease in FTEs relates primarily to the divestment of Prime Fund Solutions and the progressing integration in Group Functions.

6.4.10 Underlying results fourth quarter 2011 compared with third quarter 2011

Underlying results

(in millions)	*Q4 2011*	*Q3 2011*	*Change*
Net interest income	*1,191*	*1,241*	*-4%*
Net fee and commission income	*415*	*423*	*-2%*
Other non-interest income	*239*	*175*	*37%*
Operating income	1,845	1,839	0%
Personnel expenses	*563*	*562*	*0%*
Other expenses	*672*	*600*	*12%*
Operating expenses	1,235	1,162	6%

Operating result	**610**	**677**	**-10%**
Loan impairments	768	679	13%
Operating profit before taxes	**- 158**	**- 2**	
Income tax expenses	- 135	- 11	
Profit for the period	**- 23**	**9**	

Other indicators

	31 December 2011	*30 September 2011*
Underlying cost/income ratio	67%	63%
Assets under Management (in EUR billion)	146.6	153.0
Risk-Weighted Assets (in EUR billion)	118.3	115.7
FTEs	24,225	24,947

The net result for the fourth quarter of 2011 amounted to a loss of EUR 23 million, down EUR 32 million from the third quarter. Loan impairments on Greek Government-Guaranteed Corporate Exposures and in Commercial Banking impacted the fourth-quarter results.

- Operating income remained virtually flat quarter-on-quarter at EUR 1,845 million.

  Net interest income decreased by 4% as Commercial Banking was impacted by the sale of the international division of Fortis Commercial Finance and lower margins. Merchant Banking posted an increase, mainly on a good final quarter for securities financing.

  Net fee and commission income remained virtually unchanged compared to the third quarter. Both quarters suffered from adverse market conditions, which led to lower transaction volumes.

  Other non-interest income went up by EUR 64 million or 37% due to a book gain on the sale of the Swiss Private Banking activities and a better fourth quarter for Markets. The comparison with the previous quarter is impacted by a large gain in the private equity activities in the third quarter.

  Operating expenses increased EUR 73 million to EUR 1,235 million, due mainly to one-off IT costs, and impairments on goodwill and software.

- Operating result dropped by 10% and the cost/income ratio deteriorated to 67% from 63% in the third quarter as a result of higher expenses.

- Loan impairments in the fourth quarter amounted to EUR 768 million and include an additional impairment on the Greek Government-Guaranteed Corporate Exposures of EUR 380 million. This is in addition to the EUR 500 million impairment booked in the third quarter. Excluding these impairments, a rise of EUR 209 million was recorded due to the deteriorating economic environment in the Netherlands, resulting in a EUR 107 million increase in Commercial Banking.

- Tax expenses were EUR 135 million negative due mainly to the Greek loan impairments, as well as a tax provision release.

- The number of FTEs declined quarter-on-quarter by 3% due to the sale of the international division of Fortis Commercial Finance (492 FTEs) and the Swiss Private Banking activities (323 FTEs).".

3. In Section 7 *Trend Information*, on page 76, the following subsection 7.7 shall be inserted:

   "***7.7 Acquisition of parts of RBS Netherlands***

   On 7 March 2012, ABN AMRO reached agreement with The Royal Bank of Scotland N.V. (RBS N.V.) on the acquisition of part of their merchant banking activities in the Netherlands, i.e. mergers & acquisitions, sector advisory, equity brokerage and capital structuring. The transaction will sharpen ABN AMRO's focus on the strategic needs of its commercial banking clients in the Netherlands. The planned transaction is subject to certain conditions, such as approval by the relevant supervisory and competition authorities.".

Where references are made in the information incorporated by reference to market positions, ABN AMRO has based these market positions on its own analysis and/or derived these from public sources it believes are reliable.

Any information contained in the Annual Report 2011 which is not incorporated by reference in this Supplement is either not relevant to investors or is covered elsewhere in the Registration Document as amended by this Supplement.