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14 JUNE 2011

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**FIFTH SUPPLEMENT TO THE BASE PROSPECTUS IN RESPECT OF THE PROGRAMME FOR THE ISSUANCE OF MEDIUM TERM NOTES**



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**ABN AMRO BANK N.V.**

*(Registered at Amsterdam, The Netherlands)*

**Programme for the Issuance of Medium Term Notes**

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1. This Supplement dated 14 June 2011 (the **Supplement**) constitutes the fifth supplement to the base prospectus dated 22 September 2010 in relation to the Programme for the Issuance of Medium Term Notes (the **Base Prospectus**) established by ABN AMRO Bank N.V. (the **Issuer**) approved by the AFM on 22 September 2010, as supplemented on 15 October 2010, 30 November 2010, 31 March 2011 and 12 April 2011.
2. The Base Prospectus was approved as a base prospectus pursuant to Directive 2003/71/EC by the AFM. This Supplement constitutes a supplemental prospectus to the Base Prospectus for the purposes of Article 5:23 of the Financial Supervision Act (*Wet op het financieel toezicht*).
3. This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and any other supplements thereto issued by the Issuer.
4. The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.
5. Copies of this Supplement, the Base Prospectus and all documents incorporated by reference in the Base Prospectus can be obtained on request, free of charge, by writing to, or telephoning, ABN AMRO Bank N.V., Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands, telephone +31 20 6282 282 or by e-mail: [investorrelations@nl.abnamro.com](mailto:investorrelations@nl.abnamro.com).
6. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.
7. Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

8. In accordance with Article 5:23(6) of the Financial Supervision Act (*Wet op het financieel toezicht*), investors who have agreed to purchase or subscribe for securities issued under the Base Prospectus before the Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances.

**ABN AMRO Bank N.V.**

## AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Prospectus shall be amended and/or supplemented in the manner described below. References to page numbers are to the pages of the Base Prospectus.

At the end of Section "*Description of the Issuer*", section "*Trend information*" on page 117 of the Prospectus, the following paragraphs shall be added:

"*First quarter 2011 update*"<sup>1</sup>

### **Income statement of ABN AMRO Group**

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

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

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

### *Income Statement*

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

<sup>1</sup> All figures in this section are unaudited. Certain figures in this section may not add up exactly due to rounding. In addition, certain percentages in this section have been calculated using rounded figures.

## Separation and integration related costs

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

## Underlying results

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

## Underlying results first quarter 2011 compared with first quarter 2010

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

Profit for the first quarter of 2010 was negatively impacted by interest payments on two capital instruments which have now converted and fees paid on a credit protection instrument (totalling EUR 125 million net of tax) as well as litigation provisions. The first quarter of 2010 also included a positive net result of EUR 51 million from activities now divested<sup>2</sup>.

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

The increased focus on clients, especially during and after the integration of branches in The Netherlands in 2010, has resulted in a rise in customer satisfaction in Retail & Private Banking ("R&PB") compared with a year ago and limited outflow of clients and deposits following the integration of branches. The R&PB loan portfolio showed a modest decline due partly to a change in accounting treatment of the mortgage loan portfolio. The percentage of NHG-guaranteed new production mortgage loans continued to be significantly higher than in previous years. New mortgage loan production was at lower margins due to rising interest rates. Total deposits declined modestly, but margins were slightly higher.

<sup>2</sup> The divested activities (NEW HBU II N.V. and IFN Finance B.V., sold together under the EC Remedy on 1 April 2010) were included in the results until the date of completion of the sale.

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

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

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

### *Underlying results*

in EUR million	Q1 2011	Q4 2010	% change
Net interest income .....	1,264	1,234	2
Non-interest income .....	768	772	-1
Operating income .....	2,032	2,006	1
Operating expenses .....	1,176	1,392	-16
Loan impairments .....	125	257	-51
Profit before taxation .....	731	357	105
Income tax expenses .....	148	48	208
<b>Profit for the period .....</b>	<b>583</b>	309	<b>89</b>
Assets Under Management (in EUR bln) .....	167.9	164.2	2
Underlying cost/income ratio .....	58%	69%	
Risk-Weighted Assets .....	109.4	116.3	-6
FTEs (end of period) .....	25,862	26,161	-1

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

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

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

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

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

- Operating expenses decreased by 16%, or EUR 216 million. Costs are traditionally slightly higher in the final quarter, and fourth-quarter operating expenses also included impairments of goodwill (totalling EUR 54 million) and legal provisions and expenses. Personnel costs decreased as the number of FTEs in R&PB and Group Functions/ Other came down.
- The cost/income ratio came to 58% and was impacted by lower costs and the abovementioned favourable items.
- Loan impairments decreased by EUR 132 million partly due to a seasonal effect, as loan impairments are generally higher in the final quarter and lower in the first. This trend was reflected both in R&PB (especially in Private Banking) and in C&MB. C&MB saw some releases within the LC&MB portfolio and lower impairments in the other client portfolios. Although we expect loan impairments to increase in the remainder of the year, loan impairments for full-year 2011 are expected to be lower than in 2010.
- The total number of FTEs declined by 299 as part of the ongoing integration. Staff reductions occurred mainly at R&PB following the closing of branches in 2010 and in Group Functions/ Other. The number of FTEs in C&MB rose slightly due to continued efforts to expand the product offering and growth of the business.

## Balance sheet developments in the first quarter 2011

### Balance Sheet

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

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

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

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

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

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

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

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

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

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

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

## Capital Management

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

### Regulatory capital

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

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

### Change in capital

Regulatory capital increased from EUR 19.3 billion at year-end 2010 to EUR 19.5 billion in the first quarter of 2011, an increase of EUR 198 million. The increase in capital mainly relates to net profit attributable to the owners of the company in the first quarter of 2011 (EUR 533 million) of which 60% is to be retained. ABN AMRO announced earlier that, in consultation with the Dutch State, it had established a dividend policy that targets a dividend payout of 40% of the reported annual profit. The amount of subordinated Tier 2 liabilities decreased with EUR 84 million in the first quarter of 2011 mainly due to currency movements.

### Change in RWA

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

### Basel III



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

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

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

### Liquidity and funding

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

#### *Liquidity parameters*

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

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

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

### Sovereign and sovereign-guaranteed exposures

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

Total exposure to sovereign debts of Portugal (EUR 0.2 billion), Ireland (EUR 0.1 billion) Spain (EUR 0.1 billion), and Greece (no exposure) was 0.1% of the balance sheet total. Total exposure to sovereign

guaranteed debt of these countries was EUR 1.4 billion (Greece only), which is 0.4% of the balance sheet total. All data are end of March 2011 data. The exposure to Greece was allocated to ABN AMRO during the separation process and is the result of transactions entered into in 2000.

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

### **Liability Management transactions**

In April 2011, ABN AMRO conducted two successful liability management transactions.

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

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