ABN·AMRO

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*IR / Press Release*

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## ABN AMRO Investor Day on Antonveneta:

## Transform the Consumer Bank, strengthen the Commercial Bank and build the Private Bank

- **Antonveneta integration cost synergies to exceed initial forecast**
  - Integration Antonveneta completed, implementation under way
  - From 2008 cost synergies of EUR 178 mln a year from integration versus initial EUR 160 mln estimate
  - Synergies derived from risk, real estate, operations IT and asset and liability management
  - Revenue synergies of EUR 250 mln from 2008 versus EUR 100 mln initially indicated
  - Current restructuring costs EUR 139 mln, below forecast EUR 200 mln
  - Continuing emphasis on maintaining high level of efficiency

- **Antonveneta business plan to 2008:**
  - Expected net profit target around EUR 500 mln in 2007 including one-off items
  - Transform the consumer bank by differentiated service; target of EUR 1.416 bln in revenues for 2008
  - Strengthen the commercial bank by reinforcing position and building on the international network; target of EUR 1.105 bln in revenues for 2008
  - Build the private bank by leveraging strong presence in five wealthiest regions; target of EUR 54 mln in revenues for 2008 and EUR 15.0 bln in assets under management in five years

- **ABN AMRO capital management remains a priority**
  - On track for capital ratio target of 6% for core tier 1 and 8% for tier 1 by end 2006
  - Capital ratio targets unchanged in 2007
  - Medium-term targets remain at 6.5% core tier 1 and 8.5% for tier 1

ABN AMRO is holding an investor day in Padua, Italy today to provide an update on the integration of Antonveneta and plans for the further development of the bank in Italy. In addition, ABN AMRO Chief Financial Officer Hugh Scott-Barrett will give a presentation on the Group's capital management.

The presentations are available on ABN AMRO's website and can be followed live via the website.http://www.investor.abnamro.com/presentations/conferences.cfm.

**Antonveneta integration and growth plans**

Antonveneta provides ABN AMRO with an excellent position in Italy, supporting the Group's mid-market strategy in a country offering significant growth opportunities. The core of the strategy is based on leveraging Antonveneta's local presence and relationships together with the benefits of being part of an international bank with a global presence and product offering.

The integration is running as planned, with some 20 tracks and 250 projects identified. The alignment with the Group's governance and structure is now completed. The focus is now on further implementing the tracks, as outlined below. As a result of these integration tracks, ABN AMRO expects to generate EUR 178 mln in cost synergies from 2008, compared with the initial forecast of EUR 160 mln. The cost synergies will flow from the integration and management of functions in risk, real estate, operations, information technology and asset and liability management.

In addition, ABN AMRO and Antonveneta expect to generate EUR 250 mln a year in revenue synergies from 2008 compared with the previous forecast of EUR 100 mln. Restructuring costs related to the acquisition will be EUR 139 mln, lower than the initially estimated EUR 200 mln.

As stated with the publication of the third quarter results, ABN AMRO expects Antonveneta to contribute approximately EUR 400 mln in net profit in 2006, which includes a one-off gain on the sale of Italease in the fourth quarter. In 2007, we expect net profit to be around EUR 500 mln including one-off items. We will continue to place an emphasis on maintaining a high level of efficiency at Antonveneta.

From 2007 onwards, ABN AMRO and Antonveneta will look to transform the **Consumer division** by implementing a differentiated service level aimed at increasing the contribution of our affluent and mid-market Italian clients. This includes the launch of the Preferred Banking concept and a new relationship model. Some 40 branches will be refurbished in 2007 and will include a Preferred Banking lounge. The rebranding of Antonveneta was launched on 6 November 2006. Further hires will be made to support the long-term growth of the business and training will be doubled. We expect Antonveneta's revenues in 2008 to be EUR 1.416 bln.

In the **Commercial division**, we plan to strengthen our position further and outpace the already attractive growth rate of this market. Key growth drivers for Antonveneta's commercial franchise will be increased cross-selling (notably transaction services), an increased penetration of corporate derivatives and M&A activities, as well as international relationships shared with ABN AMRO. An international desk to promote the use of ABN AMRO's global network by Antonveneta clients has been established. We expect to increase our revenues in the commercial division to EUR 1.105 bln in 2008 from EUR 687 mln in 2005.

Antonveneta's presence in each of the top five most prosperous regions in Italy lends it significant scope to develop its service to its wealthiest clients via **Private Banking** services. Antonveneta aims to build a leading private bank, leveraging ABN AMRO's expertise, and become one of the most recommended banks in Italy. Private banking assets are expected to reach EUR 15.0 bln in five years and revenues of EUR 54 mln in 2008.

**Capital Management**

ABN AMRO has identified the optimisation of its capital management as a priority for 2006 and reiterates that it expects to reach its core tier 1 ratio target of 6% in 2006 and its tier 1 ratio target of 8% by the end of 2006. These targets will remain in place for 2007. The medium-term target ratio of 6.5% for core tier 1 and tier 1 of 8.5% remain unchanged.

During 2006, ABN AMRO has conducted a number of asset securitisation transactions that have facilitated the management of its balance sheet and risk-weighted assets. This commitment to capital management resulted in a return of capital to shareholders. The first EUR 600 mln share buyback programme was completed in May and the EUR 750 mln buyback programme, as well as the neutralisation of the stock dividend, will be completed before the end of the year, bringing the total shares bought back this year to more than EUR 2 bln. In addition, we will continue to evaluate the potential for future share buybacks.

ABN AMRO and Dutch healthcare and social work pension fund PGGM announce today that they have entered a partnership whereby the two parties will share part of the risk related to ABN AMRO's loan portfolio. The partnership is a reflection of ABN AMRO's strategy to optimise its use of capital while

PGGM will gain access to an asset class that is efficient from a risk-return perspective and has the additional benefit that it further diversifies PGGM's asset allocation.

On 8 December 2006 a first transaction was executed under the partnership. This transaction is a private version of the recent public Amstel 2006 asset securitization that is tailor-made to match PGGM's requirements. Through this transaction ABN AMRO sells part of the credit risk on its loan book to PGGM using a Collateralised Loan Obligation structure. The CLO references a loan portfolio of EUR 15.5 billion notional. Under the transaction PGGM shares in the credit risk of the loan portfolio by participating in the Equity and Mezzanine tranches of the CLO.

In line with market conditions, ABN AMRO has lowered its cost of capital to 9.5% from 10.5%.

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