



ABN·AMRO

Strong improvement in business performance

First quarter 2007 results

**Hugh Scott-Barrett
CFO, Member of the Managing Board**

Amsterdam, 26 April 2007

First quarter results ABN AMRO

(EUR mln)	Quarterly**				Quarterly***			
	Q1 07	Q1 06	% change	% change*	Q1 07	Q4 06	% change	% change*
Operating income	5,989	5,420	10.5	14.3	5,989	5,745	4.2	4.4
Operating expenses	3,989	3,764	6.0	9.2	3,989	4,033	(1.1)	(1.0)
Operating result	2,000	1,656	20.8	25.9	2,000	1,712	16.8	17.1
Loan impairment	417	328	27.1	32.9	417	509	(18.1)	(18.5)
Net operating profit	1,225	976	25.5	29.1	1,225	961	27.5	29.3
Discontinued operations	17	62			17	65		
Profit for the period	1,242	1,038	19.7	23.1	1,242	1,026	21.1	22.7
Net profit attr. to shareholders	1,213	1,003	20.9	24.5	1,213	999	21.4	23.1
Earnings per share (EUR)	0.66	0.53	24.5		0.66	0.53	24.5	
Efficiency ratio (%)	66.6	69.4			66.6	70.2		

All figures are excluding consolidation effect of private equity holdings

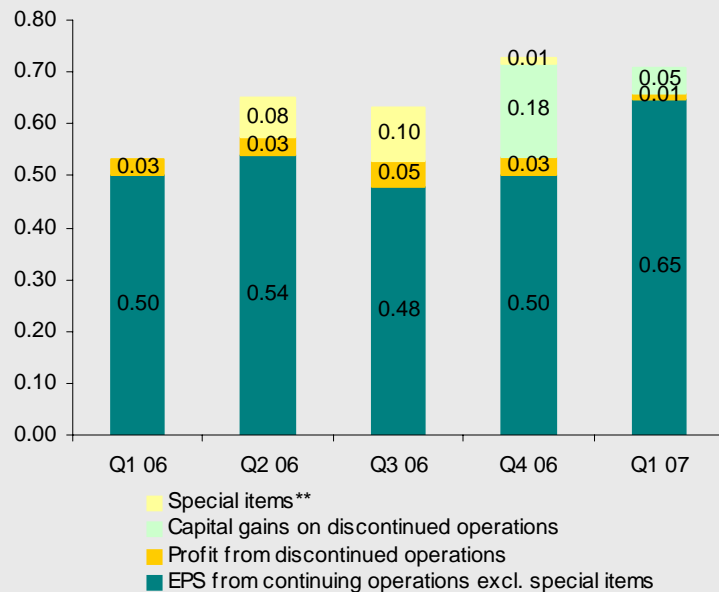
*At constant forex rates

** Q1 07 results are excluding the provision (EUR 365 mln gross and EUR 275 mln net) taken in light of the status of the DOJ investigation. In addition, the Q1 07 discontinued operations, profit for the period, net profit attr. to shareholders and earnings per share have been adjusted for gain on sale of US mortgage business (EUR 97 mln).

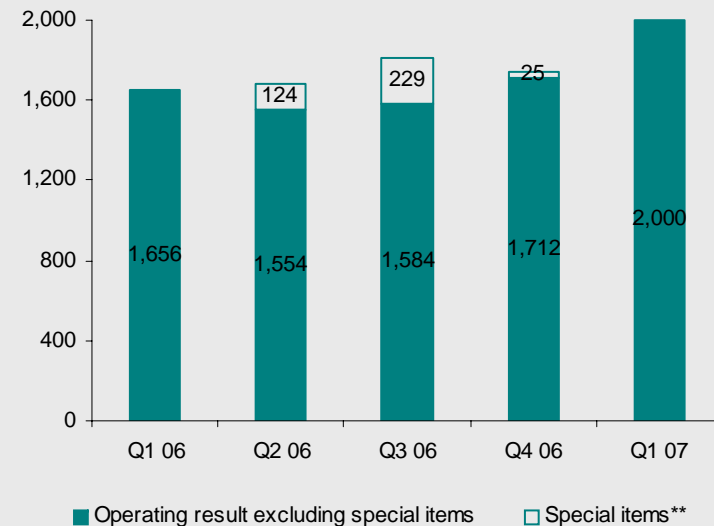
***Q4 06 has been adjusted for Talman adjustment (EUR 110 mln gross and EUR 75 mln net), gain on sale of AM Taiwan (EUR 38 mln gross and net) and restructuring charge (EUR 123 mln gross and EUR 91 mln net).

ABN AMRO on track to deliver EPS of at least EUR 2.30 via improved operating performance

Earnings per share (EUR)*



Operating result (EUR mln)*

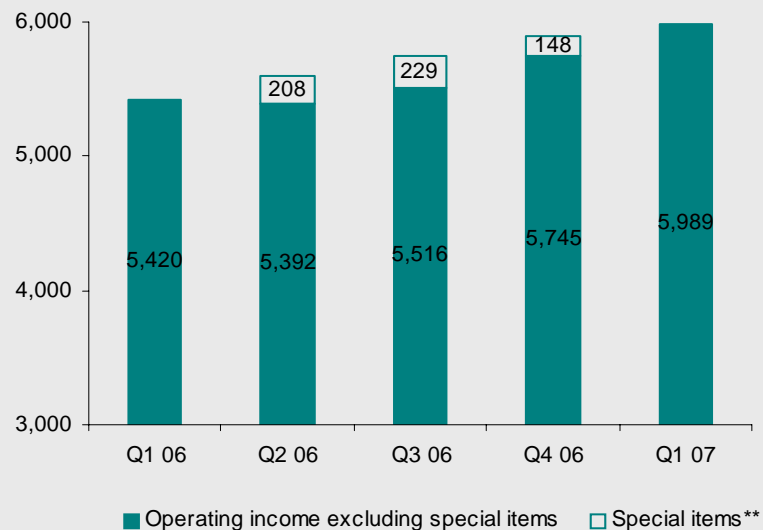


*All figures are excl. consolidation effect controlled investments of BU Private Equity

** See appendix for overview of special items. Please note that the special items do not include the provision taken in light of the status of the DOJ investigation (impact of EUR 365 mln in operating result and 15 euro cent on EPS)

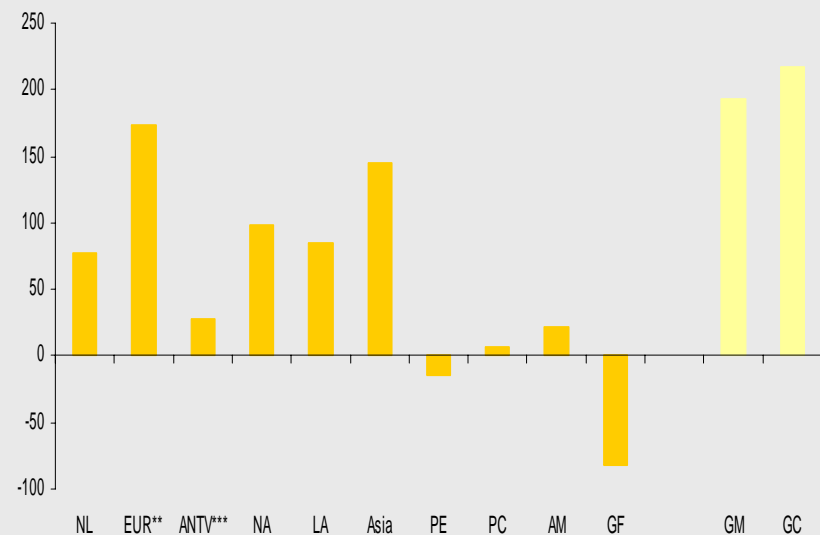
Revenues increased by 10.5% y-o-y, driven by higher revenues in almost all BUs

**Operating income ABN AMRO*, **
(EUR mln)**



**All figures are excluding consolidation effect of controlled Private Equity investments
**See appendix for overview of special items*

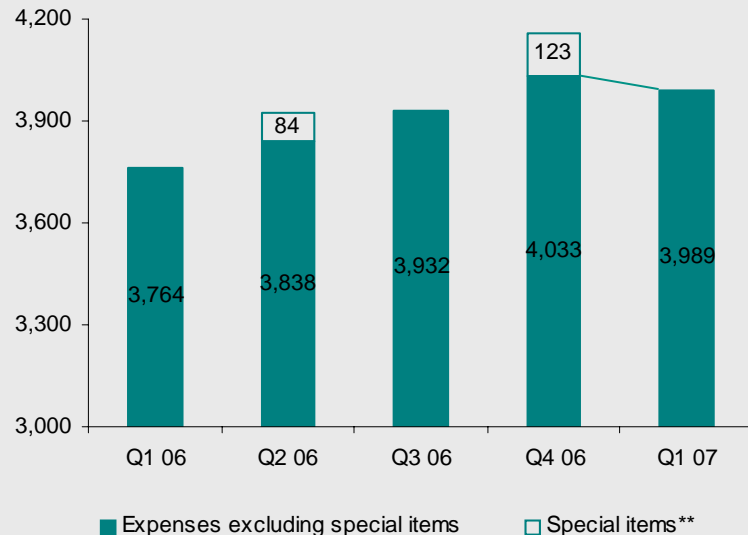
**Operating income per BU*
(Q1 07, EUR mln, year-on-year change)**



**All figures are excluding consolidation effect of controlled Private Equity investments
**EUR is BU Europe excluding Banca Antonveneta
***ANTV is Antonveneta stand alone*

Cost measures taken in the second half of 2006 are starting to pay off

Operating expenses ABN AMRO*, ** (EUR mln)



Expenses up by 6.0% y-o-y, mainly due to:

- ◆ Increased bonus accruals in BU Europe on the back of the strongly improved Global Markets revenues
- ◆ Higher expenses in Asia, reflecting higher staff costs and bonuses related to new strategic hires and the opening of 14 new branches.

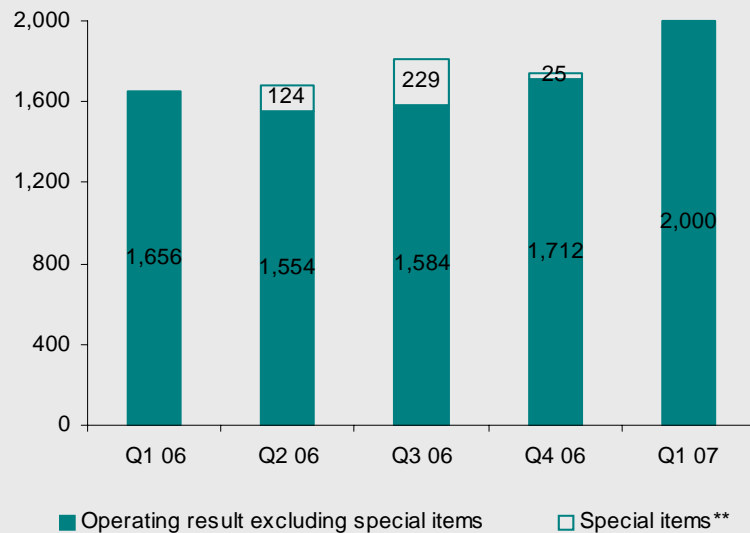
Expenses down q-o-q on the back of cost measures taken in the second half of 2006

*All figures are excluding consolidation effect controlled investments of BU Private Equity

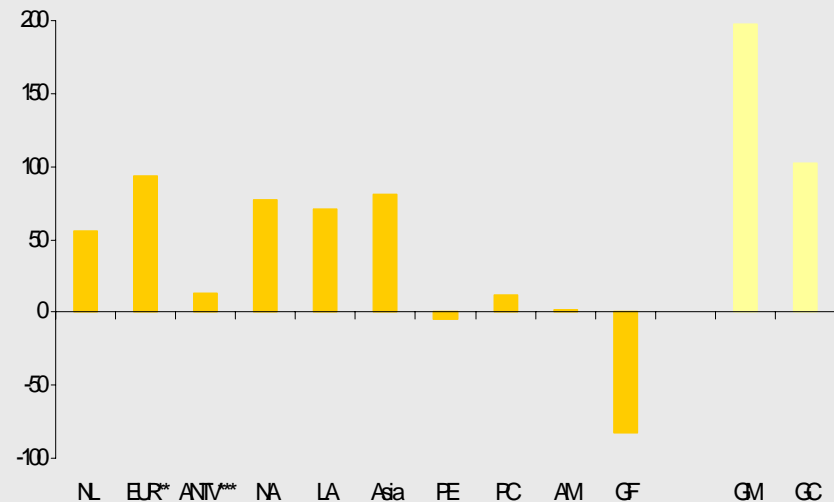
**See appendix for overview of special items. Please note that these special items do not include the EUR 365 mln provision taken in light of the status of the DOJ investigation

Operating result up by 20.8% y-o-y, reflecting strong results in almost all BUs

**Operating result*, **
(EUR mln)**



**Operating result per BU*
(Q1 07, EUR mln, year-on-year change)**



*All figures are excluding consolidation effect of controlled Private Equity investments

**See appendix for overview of special items. Please note that these special items do not include the provision taken in light of the status of the DOJ investigation

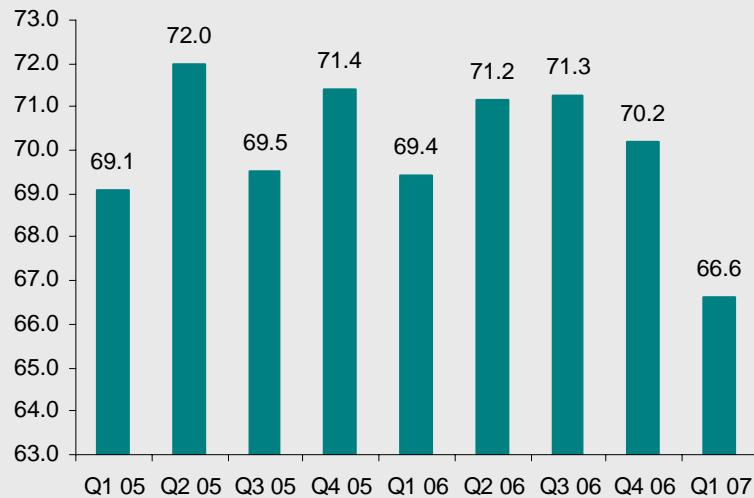
*All figures are excluding consolidation effect controlled investments of BU Private Equity

**EUR is BU Europe excluding Banca Antonveneta

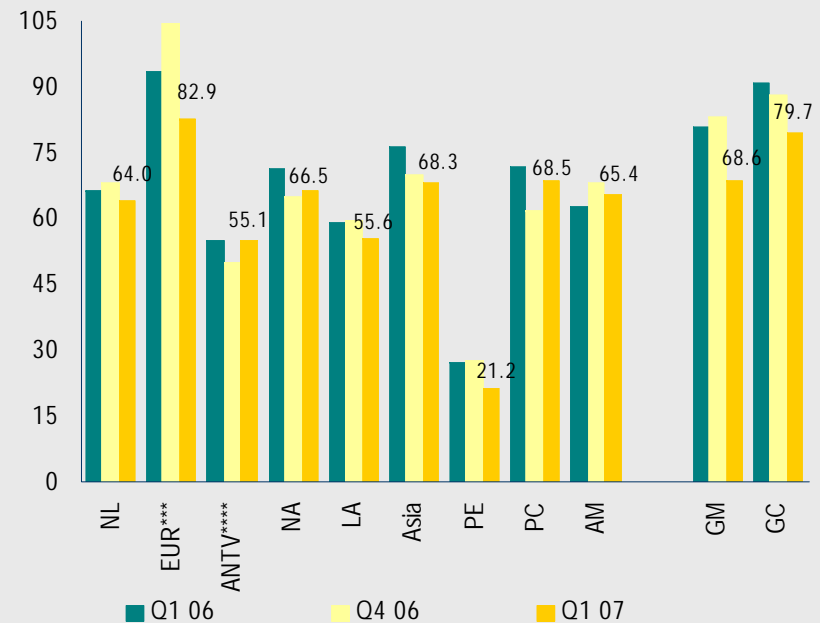
***ANTV is Antonveneta stand alone

Efficiency ratio reaches record low level

Efficiency ratio*, **
(%)



Efficiency ratio per BU*, **
(%)



*All figures are excluding consolidation effect controlled Private Equity investments

**Efficiency ratio adjusted for special items (see appendix for overview of special items). Please note that these special items do not include the provision taken in light of the status of the DOJ investigation

***BU Europe is excluding ANTV

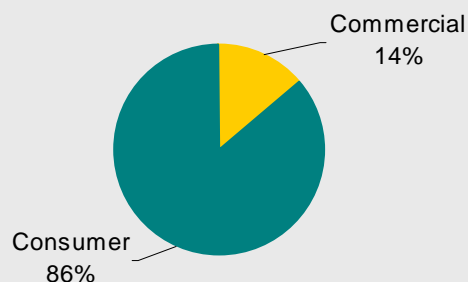
****ANTV is on a stand alone basis (excl. Purchase Accounting)

Provisioning in Q1 07 up by EUR 89 mln versus Q1 06, but down by EUR 92 mln versus Q4 06

Loan loss provisions per BU (EUR mln)

Loan impairment	Q1 06	Q1 07	Change
NL	85	105	20
EUR (ex ANTV)	0	-7	-7
ANTV	32	78	46
NA	-15	-1	14
LA	173	190	17
Asia	36	53	17
PE	15	0	-15
Other	2	-1	-3
ABN AMRO	328	417	89

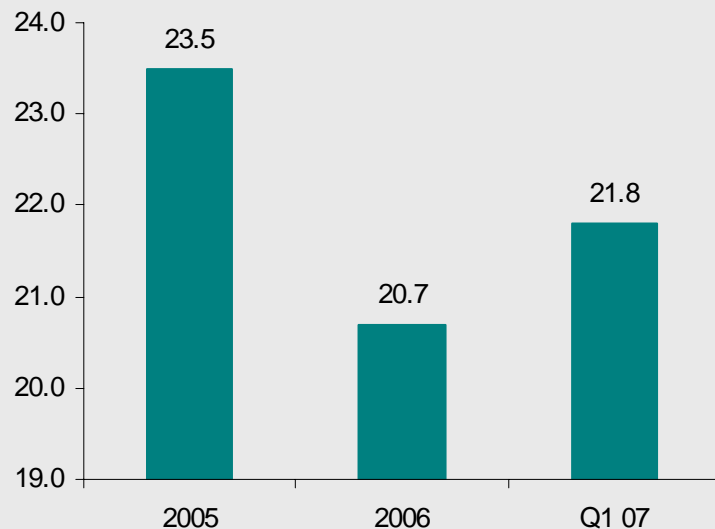
◆ Loan loss provisions per segment (Q1 07)



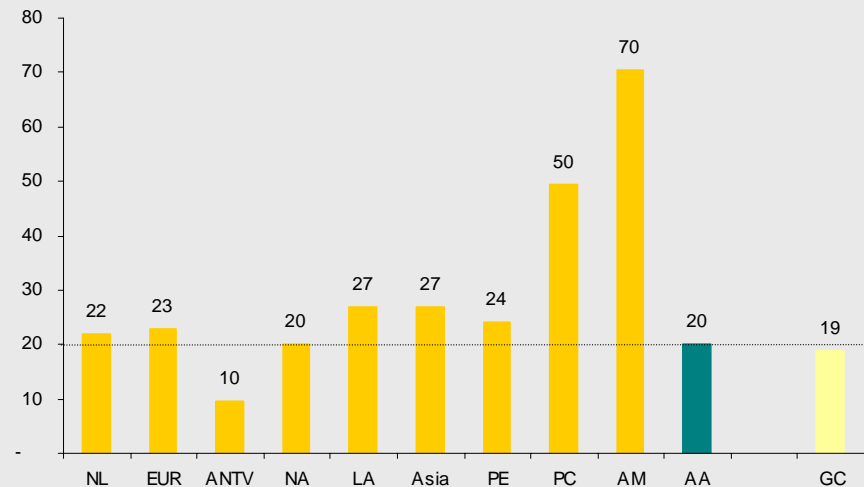
- ◆ Provisions totalled EUR 417 mln of which 86% in consumer and 14% in commercial portfolio
- ◆ Provisions up in Antonveneta, but below the indicated Q3 06 level of EUR 96 mln
- ◆ Provisions up in BU NL, mainly due to higher provisioning levels for Corporate Clients portfolio
- ◆ Provisions up in BU Asia due to strong growth of consumer banking portfolios in India and Indonesia
- ◆ Provisions up in BU LA reflecting the strong household, SME and consumer finance loan portfolios
- ◆ Quality of commercial portfolio remains strong and stable.

Group Return on Equity of 21.8 % and ROARC of almost all BUs above 20%

Average return on Equity (%)*



Return on Assigned Risk Capital per BU in Q1 07 (%)** , ***



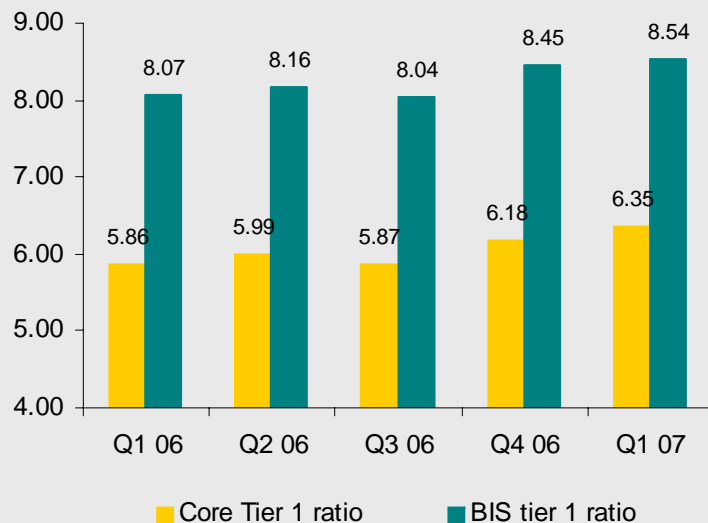
* ROE is based on average net profit attributable to shareholders of EUR 1,310 mln and average Equity of EUR 24,094 mln

** ROARC for the group is based on net profit attributable to shareholders of EUR 1,310 mln and ARC of EUR 24 bln (March 1, 2007)

*** EUR is excl. ANTV; ANTV is on a stand alone basis (excl. Purchase Accounting); BU NA is excluding the results from discontinued operations (gain on sale and profit contribution from US Mortgages). Please note that the Q1 07 Group RoE and ROARC do not include the provision taken in light of the status of the DOJ investigation. ROE including the provision is 17.2%.

Further improvement of capital ratios

Capital ratios (%)*



- ◆ Improvement of capital ratios to 6.35% core tier 1 and 8.54% tier 1, well above our year-end targets of respectively 6.0% and 8.0%
- ◆ Improvement of capital ratios due to high level of retained earnings, including proceeds of sales of non-core assets, and active capital management
- ◆ Risk-weighted assets amounted EUR 283.3 bln at end of March, down by 7.2% y-o-y and up by 0.9% q-o-q

**Please note that the Q1 07 capital ratios do not include the provision taken in light of the status of the DOJ investigation. Including this provision, Core Tier 1 is 6.25% and Tier 1 is 8.44%*

**Highlights first quarter 2007:
operating performance compared
to fourth quarter 2006 and key
themes**

Increase in operating result due to good performance across the regional client BUs

- ◆ Operating income up by 4.2%*, driven by revenue growth in BU Europe and BU NL.
- ◆ Revenue growth BU Europe mainly due to strong performance BU Global markets
- ◆ Operating expenses down by 1.1%*, showing the beginning of the results of cost measures taken in second half 2006
- ◆ Operating result up by 16.8%*
- ◆ Improvement in Group efficiency ratio from 70.2% in the fourth quarter* to 66.6% in the first quarter
- ◆ Profit for the period up by 21.1%

** Excluding special items specified in appendix. Please note that these special items do not include the provision taken in light of the status of the DOJ investigation*

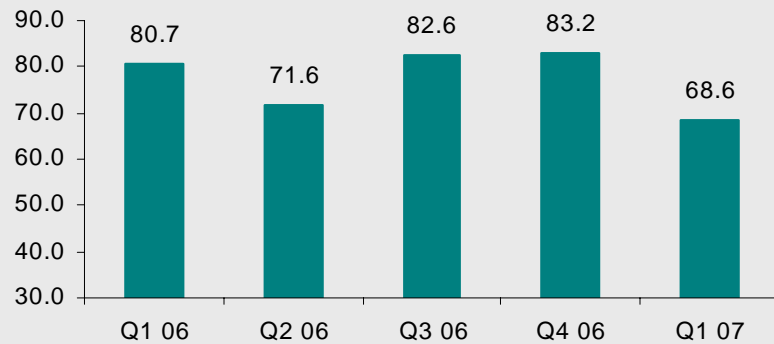
First quarter results: key themes

- ◆ Improving the returns BU Global markets, BU Global Clients and BU Europe
- ◆ Antonveneta on track to deliver net profit of EUR 500 mln in 2007
- ◆ On our way to beating the 2007 EPS target of EUR 2.30 in 2007

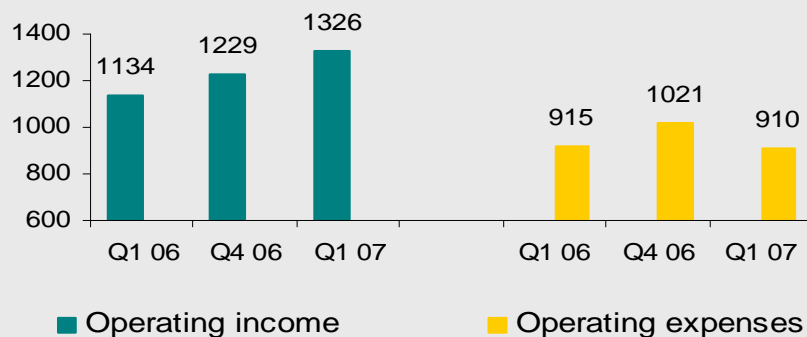
**Improving the returns BU Global
markets, BU Global Clients and
BU Europe**

BU Global Markets on track to reach target of efficiency ratio of 75% in 2007

Efficiency ratio*



Strong revenue increase and strict cost control (EUR mln)*

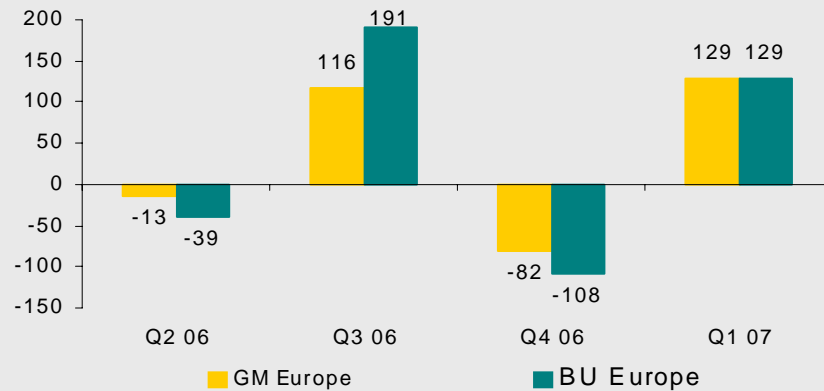


*Q2 is excl. Services charge and Q4 is excl. restructuring charge

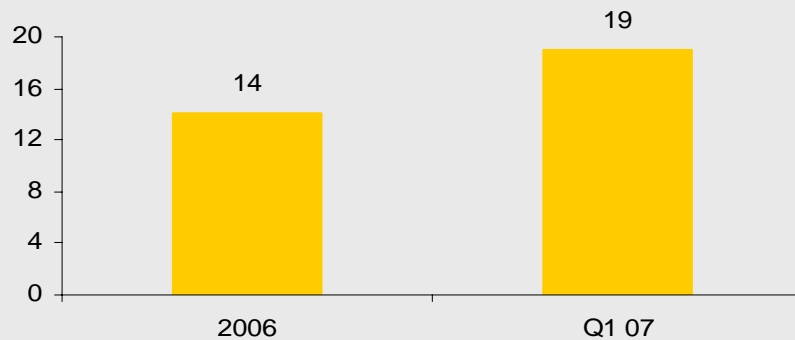
- ◆ BU GM has delivered a significant improvement in efficiency ratio, both y-o-y and q-o-q to 68.6% in Q1 07. On track to reach target of 75% for the full year 2007
- ◆ Efficiency ratio improvement, both y-o-y and q-o-q, driven by a strong increase in revenues and strict cost control
- ◆ Revenues increased across all product groups, with the exception of proprietary trading.
- ◆ Strict cost control reflected in decrease in non-staff costs.

BU Europe and BU GC on track to achieve 2007 targets

Revenues BU Europe and GM Europe (change q-o-q, EUR mln)



Return on Assigned Risk Capital BU Global Clients (%)*



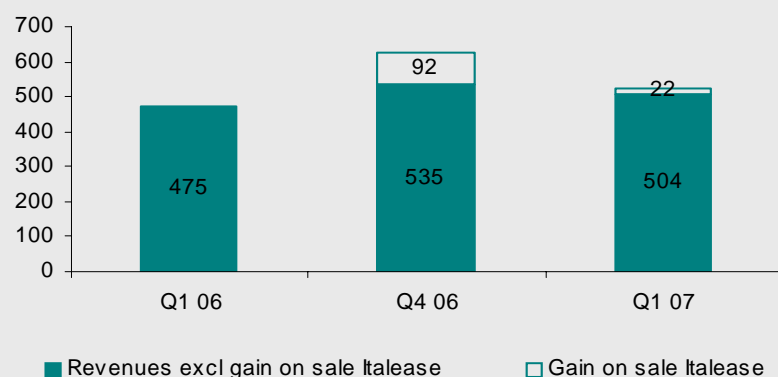
*Please note that the 2006 ROARC is different from the number reported with the FY 06 results (12%) due to the change in definition of BU GC (which now also includes regional M&A/ECM)

- ◆ Revenues BU Europe increased 29.5% y-o-y and 20.4% q-o-q on the back of higher GM revenues
- ◆ Cost development shows the beginning of the results of cost measures taken in second half 2006
- ◆ Efficiency ratio has also benefited from improved efficiency GM.
- ◆ BU Europe (ex GC Europe) on track to reach profitability in 2007. Profit for the period of EUR 110 mln in the first quarter
- ◆ BU GC on track to achieve 20% ROARC in 2007.
- ◆ First quarter 2007 results positively impacted by fair value adjustments of our stake in KEB, which is part of regular income, but creates volatility in income

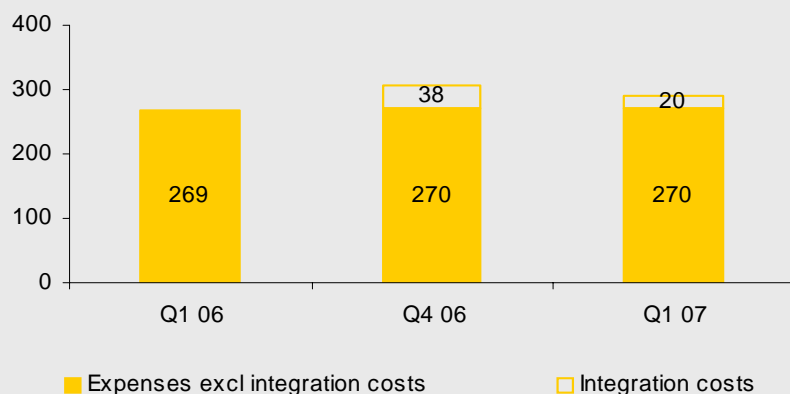
**Antonveneta on track to deliver
net profit of EUR 500 mln in 2007**

Antonveneta on track to deliver net profit of EUR 500 mln in 2007

Operating income (EUR mln)



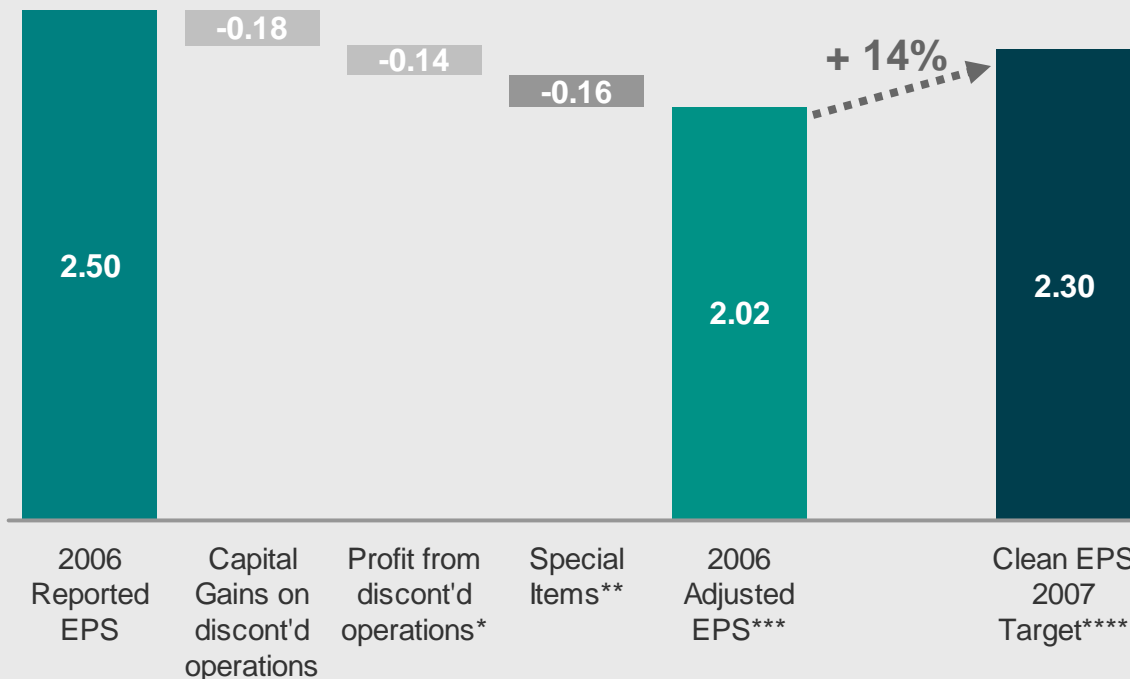
Operating expense (EUR mln)*



- ◆ As mentioned in the full year 2006 results press release, revenues in the first quarter of 2007 were expected to be the lowest in 2007.
- ◆ The decline in revenues can largely be explained by seasonality and strong result from financial transactions in the fourth quarter
- ◆ Operating expenses (excl. the integration costs) are flat in the first quarter compared to both the fourth quarter and the first quarter of 2006
- ◆ Provisions reached EUR 78 mln, below the EUR 96 mln per quarter indicated at the investor day.
- ◆ ANTV has introduced new products and launched the preferred banking and private banking concept

**On our way to beating the EPS
target of EUR 2.30 in 2007**

With clean EPS of EUR 0.66 in Q1, we are on our way to beating EPS target of at least EUR 2.30 in 2007



- ◆ Structurally improved operating performance will deliver EPS of at least €2.30
- ◆ Demanding target as strong operational performance will have to compensate for expected higher tax rate (17% in 2006) and modestly higher provisions
- ◆ EPS target excludes disposals and restructuring charges

*Discontinued operations includes Bouwfonds and US mortgages

**See appendix for overview of special items

***Including Private Equity Gains and excluding Tax normalisation.

****Excluding major disposals, restructuring charges and the provisioning in light of the status of the DOJ investigation.

**ABN AMRO announces
USD 21 bln sale of LaSalle**

Sale of LaSalle Bank to Bank of America

Rationale

- ◆ **Decision driven by**
 - Strategic fit. We considered the strategic impact of a sale in a stand-alone scenario and in context of proposed merger with Barclays
 - Concrete approach from Bank of America
- ◆ **BoA able to realise greater value than the combined group**
 - Full premium valuation (20.3x P/E multiple 06)
 - Provides floor to LaSalle value
 - Provides greater transparency for Barclays offer

Key terms

- ◆ Price: USD 21 bln
- ◆ Price received by LaSalle fully reflected in exchange ratio Barclays merger
- ◆ Net proceeds of LaSalle are part of EUR 12 bln return to shareholders post sale of LaSalle and completion of Barclays merger
 - Closing expected for late 2007
 - Completion of the sale of LaSalle is condition for the Barclays offer

Sale of LaSalle Bank to BoA: “go-shop” clause explained

- ◆ Allows solicitation of interest for LaSalle within 14 days of the agreement
- ◆ Bank of America has a right to match superior bid within five days
- ◆ If Bank of America would decide not to exercise its matching right, the BoA deal would terminate and ABN AMRO would have to pay a break-up fee of USD 200 mln
- ◆ The “go-shop” clause ensures maximum value is realised for our shareholders and provides a floor to the value of LaSalle
- ◆ Does not prevent anyone from bidding for either LaSalle and/or the remaining Group

LaSalle's numbers explained

- ◆ After recapitalisation, net profit of USD 1,035 mln (US GAAP), positively impacted by USD 136 mln from
 - Excluding overhead costs allocated from ABN AMRO
 - Including Global Markets profit derived from LaSalle franchise but not reported there
- ◆ Core net profit therefore amounts to USD 899 mln
- ◆ On the basis of net profit of USD 1,035 mln, the P/E is 20.3x, on the basis of USD 899 mln, the P/E is 23.4x
- ◆ Tangible book value of USD 3.5 bln consisted of total shareholders equity of USD 6.2 bln as at 31 December 2006 less goodwill of USD 2.7 bln.
- ◆ Prior to the completion of the sale, ABN AMRO will convert into equity approximately USD 6.15 bln of loans, which it currently extends to AA NA
- ◆ LaSalle is over capitalised compared to median capital position of US regional bank. On this basis LaSalle would need USD 2.5 bln less capital. This would lead to sale price of USD 18.5 bln and an adjustment in the P&L for higher interest expenses