



ABN AMRO Group financial results 2007

Operating income increased by 5% to EUR 17,268 mln, reflecting good growth in Latin America, Asia and The Netherlands, where revenues grew by 28%, 30% and 7% respectively. Adjusted* operating income increased by 2% as ABN AMRO recorded a EUR 1,561 mln credit market related write-down in its Global Markets business due to the significant downturn in credit markets. ABN AMRO's valuation methodology was aligned to that of Royal Bank of Scotland Group's (RBS) in the fourth quarter of 2007. Excluding the write-down, adjusted operating income was up 12%.

Operating expenses increased by 15% to EUR 13,846 mln largely due to non-recurring expenses. Adjusted operating expenses increased by 7% primarily as a result of the expansion of the distribution infrastructure in Latin America and Asia, and the acquisition of Prime Bank in Pakistan and Taitung Business Bank in Taiwan.

Loan impairments were EUR 293 mln higher at EUR 1,704 mln, primarily as a result of strong loan growth in Brazil.

Taxes benefited from significant tax-exempt gains on disposals and tax credits in some countries, as well as substantial releases of (deferred) tax liabilities resulting from the finalisation of prior-year tax returns and conclusions on a number of additional items.

Reported net profit from continuing activities was EUR 1,798 mln and adjusted net profit from continuing activities was EUR 1,806 mln. Excluding the effect of the credit market related write-down (EUR 1,139 mln net), adjusted net profit from continuing operations was EUR 2,945 mln, up 18%.

Discontinued operations include the net of tax results from LaSalle, ABN AMRO Mortgage Group (AAMG), Antonveneta, BU Asset Management and Bouwfonds. The operating performances of LaSalle (nine months only), BU Asset Management, and AAMG (two months only) were in line with expectations. The operating performance of Antonveneta continued to disappoint (a loss of EUR 24 mln on a stand-alone basis compared with a previously targeted profit on a stand-alone basis of at least EUR 413 mln).

Net profit attributable to shareholders in 2007 amounted to EUR 9,848 mln and included a gain on the sale of LaSalle of EUR 7,162 mln. Adjusted net profit attributable to shareholders was EUR 2,665 mln.

The original earnings per share (EPS) target for 2007 of EUR 2.30 included the full-year profit of LaSalle. Following the sale of LaSalle, this target was revised for a nine months contribution to EUR 2.16. The adjusted EPS was EUR 1.44, primarily due to the impact of the credit market related write-down (EUR 0.62) and the continued disappointing performance of Antonveneta (EUR 0.23).

The core tier 1 ratio was 10.59% and the tier 1 ratio was 12.42%, well above the year-end targets of 6% and 8%, partly due to the gain on sale of LaSalle.

Due to the change of ownership during 2007, ABN AMRO proposes not to pay a final dividend. The interim dividend was EUR 0.58 which was paid in the third quarter of 2007.

Further disclosure on the ABN AMRO results is included in the RBS (www.rbs.com) and Fortis (www.fortis.com) company announcements published today.

* The adjusted figures throughout this press release exclude the following items: gains on sale of disposals, fair value gain on our stake in Unicredit, transaction-related expenses including a break fee paid to Barclays, transition and integration costs, a provision for the Department of Justice settlement, a provision for the Futures business which was sold in 2006, and restructuring expenses in 2006.

The total impact of these adjustments in 2007 is EUR 868 mln on operating income, EUR 1,151 mln on operating expenses, negative EUR 275 mln on tax, EUR 7,191 mln on discontinued operations, and EUR 7,183 mln on net profit attributable to shareholders.

The total impact of these adjustments in 2006 is EUR 437 mln on operating income, EUR 174 mln on operating expenses, EUR 72 mln on provisions, negative EUR 27 mln on tax, EUR 388 mln on discontinued operations, and EUR 606 mln on net profit attributable to shareholders.

For the full press release, please click [here](#)

[ABN AMRO](#) and [RBS](#) have both published their full year results, and [Fortis](#) has reported on the BUs it will acquire.