

ABN AMRO, 1991-2008

Combined forces, 1991

The two largest commercial banks in the Netherlands, Algemene Bank Nederland (ABN Bank) and Amsterdam-Rotterdam Bank (Amro Bank) announced a merger feasibility study in March 1990. The study soon yielded positive results and May 30, 1990 ABN AMRO Holding was established. The legal merger between ABN Bank and Amro Bank took place on 22 September 1991.

The reasons for the merger lay in the need to combine forces in order to expand and reinforce the prominent positions the two banks occupied in their own right. The worldwide scaling up of companies and financial institutions called for a bank with a strong capital base and broad expertise.

In time ABN AMRO focussed on three home markets: The Netherlands, the US Midwest and Brazil.

Acquisitions and divestments in The Netherlands, 1992-2006

In the Netherlands ABN AMRO acquired LeasePlan in 1992 from subsidiary Bank Mees & Hope. The two subsidiaries Bank Mees & Hope and Pierson, Heldring & Pierson were merged in 1993, to form MeesPierson. This subsidiary was sold to Fortis in 1997. Bouwfonds Nederlandse Gemeenten, a commercial and private property developer, was acquired in 2000. A joint venture in bancassurance between ABN AMRO and Delta Lloyd was launched in 2003.

By 2006, a number of non-core or non-sustainable activities had been sold: LeasePlan Corporation in 2004, and private bank Nachenius, Tjeenk & Co. in 2005. In December 2006 ABN AMRO announced that the process of divesting Bouwfonds will start in the first quarter of 2006.

US Midwest, 1992-2008

ABN AMRO has pushed ahead with international expansion since the merger. In July 1991 subsidiary LaSalle National Corporation of Chicago took over another Chicago bank, Talman Home Federal Savings & Loan Association. In July 1993 ABN AMRO announced the acquisition of Cragin Federal Bank for Savings in Illinois, U.S.A..

A significant acquisition was the 1996, Michigan-based Standard Federal Bancorporation. Founded in 1893, Standard Federal had grown from a small mutual savings into one of the Midwest's leading financial services companies. In one fell swoop, ABN AMRO was a leading player in the US Midwest banking sector, with a major share of the region's lucrative mortgage-lending business. This was one of the reasons for the quotation of American Depositary Receipts ABN AMRO Holding N.V. at New York Stock Exchange in May 1997.

The position in the Midwest was consolidated even further with the 2001 take-over of Michigan National Corporation (MNC). The merger of MNC with Standard Federal created the second-largest bank in Michigan. New York state based European American Bank was sold in 2001 to Citibank.

Brazil, 1998-2007

In November 1998, the acquisition of Brazilian bank Banco Real was completed. Founded in 1925 as a small co-operative bank, Banco Real had grown into the fourth-largest privately owned bank in Brazil, with operations in several other Latin American countries.

ABN AMRO had been active in Brazil since 1917 as Banco Holandés da America do Sul, but the acquisition of Banco Real and the small state-owned banks Bandepe and Paraiban firmly established Brazil as ABN AMRO's third home market.

In 2003, when many foreign players were cutting back on their investment or even withdrawing from Brazil, ABN AMRO Banco Real surprised the markets by announcing the acquisition of Brazilian bank Sudameris. The move reinforced ABN AMRO's position as fourth-largest bank in Brazil and provided it with a firm foothold in the economically vibrant south-east of the country.

As a result of the October 2007 takeover of ABN AMRO by the Royal Bank of Scotland, Fortis and Santander consortium, Banco Real was split off and transferred to Santander in July, 2008.

Global clients, 1992-2006

The London stockbroking firm of Hoare Govett was taken over by ABN AMRO in June 1992. In 1994, this was followed by the purchase of a stake in Hoare Govett Asia, which was increased to a majority stake a year later. In 1995 the Scandinavian investment bank Alfred Berg was also acquired. Founded as a stockbroking firm in 1863 - the same year the Stockholm stock exchange opened its doors - the Swedish firm was taken over by banker Alfred Berg in 1901. The company now provides wholesale banking and asset management operations in four Nordic countries. The name of Alfred Berg SE was re-branded in ABN AMRO in June 2006.

The growing network of investment banks paved the way in 1996 for the joint venture with prestigious merchant bank N.M. Rothschild & Sons, London. The move allowed ABN AMRO to profit from Rothschild's strong position in international privatisations and boosted ABN AMRO's share of the stock issue market.

Growth and takeover, 2002-2008

ABN AMRO's presence in Germany was strengthened in 2002 through the acquisition of German private bank Delbrück & Co. Delbrück & Co is one of the oldest and most prestigious private banks in Germany with a history dating back almost 300 years. This was followed in 2003 with the acquisition of BethmannMaffei of Munich (est. 1748). The merged entity was re-branded as Delbrück BethmannMaffei.

In 2000, the bank introduced a new organisational structure, restructuring the bank into three largely autonomous Strategic Business Units (SBUs). As of 1

January 2006, this structure was replaced by a system of two global and five regional Client Business Units, and three global Product Business Units.

After a long and much publicized struggle for control of Banca Antonveneta - a banking group with a strong presence in Italy's wealthy north-eastern region - ABN AMRO managed to take a majority stake early 2006.

In 2007, ABN AMRO experienced a very eventful year where a new period of transition began. Having decided that a strategic partnership with another leading bank would be key to success, ABN AMRO held lengthy merger discussions with Barclays Bank, during which time it sold its American subsidiary LaSalle to Bank of America. However, around the same time, a consortium made up of The Royal Bank of Scotland Group plc (RBS), Fortis, and Santander, who went by the collective name of RFS Holdings, launched a bid to takeover ABN AMRO, which offered the bank's shareholders a higher price. A deal was eventually struck on 17 October 2007 when the RFS Holdings offer was made unconditional, meaning that it had officially acquired ABN AMRO.

The separation and transfer of ABN AMRO businesses to their new owners proceeded according to the consortium's integration plan developed in 2007. The sale of Business Unit Asset Management to Fortis was concluded on 1 April 2008 and the sale of Banco Real and other businesses allocated to Santander was concluded in July 2008. The transfer of business and client activities in Asia, Europe and North America to RBS began in the first half of 2008, with many businesses becoming RBS-branded. Other shared assets and liabilities were either sold or economically allocated to a consortium partner. The main disposal of an ABN AMRO business outside the consortium was the sale of Antonveneta to Banca Monte dei Paschi di Siena, which concluded in May 2008.

ABN AMRO was eventually delisted from the Euronext Amsterdam and the New York Stock Exchange and on 22 September 2008, RFS Holdings became the sole shareholder in ABN AMRO.

However, on 3 October 2008, amid the turmoil in the financial market, the government of the Netherlands fully acquired all of Fortis's businesses in the

Netherlands, including the Fortis share in ABN AMRO. The Dutch government intends that once separation of all ABN AMRO businesses has been finalised, it will integrate Business Units Netherlands, Private Clients and the International Diamond & Jewelry Group with the banking operations of Fortis Nederland to form a new Dutch bank.

The ownership of RFS Holdings/ABN AMRO is now RBS 38%, Dutch state 34% and Santander 28%.