

Amsterdam-Rotterdam Bank (Amro Bank), 1964-1991

Amsterdam and Rotterdam merge, 1964-1965

Amsterdamsche Bank (AB) and Rotterdamsche Bank (RB) announced their merger on June 11, 1964. The new Amsterdam-Rotterdam Bank (Amro Bank) was established as a holding company in Amsterdam in July 1964 and the old banks became operating companies. Their formal integration in the new Amro Bank took place on January 1, 1965, but for practical purposes operations were not integrated until March 1, 1965.

The new bank pursued banking in the widest sense of the word as the two partners had been doing individually prior to the merger. The main reason for the merger was the increasing diversification in the financial world. Agricultural banks had started financing non-agricultural enterprises, savings banks had branched out into commercial banking and institutional investors had decided to provide medium-term loans to companies. AB and RB recognised that a merger was the correct response, although they first had to call a truce in the traditional resentments between Amsterdam and Rotterdam companies. Moves in this direction had started in 1939 with the attempted merger of AB and Rotterdamsche Bankvereniging (as RB was called at that time), but were cut short by the outbreak of the Second World War.

New paths, new markets, 1965-1987

Amro Bank moved into the medium-term credit business and organised these operations in Nationale Bank voor Middellang Krediet (the former Nationale Handelsbank) in 1965. Hire-purchase finance and leasing were organised in the subsidiaries Mahuko and Amstel Lease. Amro Bank also engaged in factoring through its Rotterdam-based subsidiary International Factors Nederland B.V., the oldest factoring company in the Netherlands (est. 1962).

Like other banks, Amro Bank saw its retail banking grow enormously in the 1960s and 1970s. It strengthened its position in wholesale banking when it took over Pierson, Heldring & Pierson (PHP) in 1975. However, PHP kept its independence and went on trading under its own name. Vlaer & Kol of Utrecht, which PHP had taken over earlier, was incorporated in the Amro Bank organisation in May 1976.

In Brussels the Banque Européenne de Crédit à Moyen Terme was established in 1967 as an updated platform for the informal banking consultations held in the European Advisory Committee (set up in 1958 by four European banks including Amsterdamsche Bank). In 1970 the member banks, including Amro Bank, took a

new step forward by setting up the European Banks' International Company (EBIC) in Brussels. In EBIC context the member banks opened branches, set up subsidiaries and acquired interests outside their home countries. After a few years, however, it became clear that this approach was not effective. In 1977 Amro Bank therefore opened a branch in London, its second own branch outside the Netherlands. The first had been opened in Antwerp in 1937. Over the years Amro Bank increased its holdings in some of the EBIC member banks.

New partners, 1987-1991

With 1992 and European unification on the horizon, Amro Bank and Generale Bank, Belgium, unveiled plans in February 1988 for far-reaching co-operation aimed at creating an international bank at European level. As time passed, however, it became evident that too many obstacles stood in the way of this ambition. The opportunity to merge with a Dutch bank came after the authorities relaxed merger restrictions on the Dutch banking industry.

On March 26, 1990, Amro Bank and ABN Bank announced a merger feasibility study. The merger was completed rapidly after ABN AMRO Holding N.V. made a successful bid for the shares of both banks in August 1990. The legal merger was finalised on September 22, 1991 and the bank started trading under the new name of ABN AMRO Bank.