

## **Annual results 2008 Fortis Bank Nederland:**

### **Net operating profit EUR 604 million**

*All businesses – Retail Banking, Private Banking and Merchant Banking – made a positive underlying contribution to net operating profit. The net result was EUR 18.5 billion negative, mainly as a result of the loss of the transfer of the stake in RFS Holdings B.V. In addition, a provision of approximately EUR 0.9 billion was created in relation to the Madoff affair.*

All businesses contributed to the 2008 net operating profit of EUR 604 million, despite the difficult and challenging circumstances. The credit crisis, which struck the financial markets and the real economy, depressed net operating profit for the year. On top of that, the turbulence surrounding Fortis Group and its ultimate break-up pushed down Fortis Bank Nederland's numbers. These effects were felt almost entirely in the second half of the year.

The Management Board has forgone any and all bonuses for 2008. Senior management will not receive their bonuses under the professional remuneration scheme for 2008 and will be exclusively eligible for variable remuneration under the collective wage agreement.

### **Net result: EUR 18.5 billion negative**

The net result was depressed by a one-off book loss of EUR 17.7 billion on the stake in RFS Holdings B.V. (the holding company which acquired ABN AMRO in which Fortis Bank Nederland had a 33.8% stake, reflecting the ABN AMRO businesses allocated to it). These ABN AMRO businesses were recorded on the Fortis Bank Nederland balance sheet until 24 December, when they were transferred to the Dutch State. In addition, a provision created in relation to the Madoff affair depressed the net result by EUR 922 million.

### **Key events**

- Net operating profit of EUR 604 million; net result EUR 18.5 billion negative
- Year-end 2008 solvency ratio was 11.2%, tier 1 ratio 7.4% under Basel I; year-end 2008 solvency ratio 16.6%, tier 1 ratio 11.1% under Basel II, mainly due to a lower risk weighting of Dutch mortgages
- Operating expenses, adjusted for the effect of separation and integration costs, stable compared with 2007
- Commercial loans up 5.6% and consumer loans up 4.1% in 2008

- No investments in US mortgage-related investment products or collateralised debt obligations (CDOs)
- In the fourth quarter, Fortis Bank Nederland raised funds in the interbank market, with the average amount coming to EUR 12 billion in December 2008. The outflow of funds, caused partly by the turbulence surrounding Fortis Group, came to an end and an inflow of customer funds got under way in the last quarter of the year.
- Customer focus, risk management and cost control top priorities in 2009, with separation from Fortis Group and integration with ABN AMRO key aims.
- To visually promote Fortis Bank Nederland as a separate entity from Fortis Group, the '**Fortis Bank Nederland**' logo was introduced along with an adjusted house-style for external and internal communications. For the same reason, Private Banking changed its name from Fortis MeesPierson to MeesPierson.

**Jan van Rutte, Chairman of the Board of Fortis Bank Nederland:**

*"The credit crunch, the planned integration with ABN AMRO, the break-up of Fortis Group and the nationalisation of Fortis Bank Nederland – all in all, 2008 was a tumultuous and unusual year. Despite these seismic events, we achieved a net operating profit across the board. Our performance demonstrates that Fortis Bank Nederland is a sound, independent company and offers a promising outlook for the year ahead as we work towards creating a new bank.*

*Our net operating profit is largely attributable to the flexibility and perseverance of our staff. A recent survey reveals that, amid all the change, our employees are as motivated and as committed to the bank and its customers as ever. Our customers – from small savers to big investors, from one-man businesses to multinationals – have remained loyal to us during these turbulent times. We are very grateful for their loyalty and thank them sincerely for their trust.*

*At the same time, we suffered an enormous net loss in the wake of the one-off book loss on the sale of the ABN AMRO activities originally to be transferred to Fortis Bank Nederland for EUR 6.5 billion; these businesses were recorded on Fortis Bank Nederland's balance sheet for EUR 24.2 billion in 2007. We also created a EUR 0.9 billion provision in relation to the Madoff affair.*

*Operating expenses in 2008, excluding integration and separation costs, were stable compared with 2007. Against the background of a 2.5% inflation rate, this is a good result. Cost control will remain a top priority in 2009.*

*After a year filled with uncertainty and major changes, we are now eager to focus on building a new bank in 2009. Our separation from Fortis Group and subsequent integration with ABN AMRO will bring many changes to the company. We will rise to these challenges by doing even better what we do best: putting our customers first.*

*Now that Gerrit Zalm, the designated CEO of the new bank, has announced his appointments to the Transition Team, we can get down to the business of integration. We have confidence in the future and look forward to embarking on the challenge of creating a strong, new bank."*

**More information press**

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**More information for professional market parties**

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