



Personal statement by Gerrit Zalm on his role at DSB Bank

On 1 July 2007, I was appointed as economic adviser to the Executive Board of DSB, my title being Chief Economist. The Chief Financial Officer (CFO) resigned in late 2007. The financial markets were turbulent at the time and it was unclear as to whether securitisation was still an option. The Executive Board and the Supervisory Board strongly urged me to take on the vacant role of CFO. With the Dutch Central Bank's (DNB) consent I agreed to accept the position and was subsequently appointed CFO in early December 2007. My most important tasks were to steer DSB Bank safely through the credit crisis and to monitor its capital adequacy and liquidity. I succeeded in doing that in 2008.

In addition, I worked hard to implement a broad-based programme of improvements, including adequate cost control, more professional decision-making, better quality of management reports, reinforcement of the financial departments and mitigation of credit risks. As regards the latter, the bank achieved a substantial improvement in the debt-to-income ratios and the loan-to-value ratios of its mortgage business in 2008. Furthermore I helped establish a more sustainable earnings model by reducing the bank's reliance on one-off commissions from single-premium policy sales. The reliance on this source of income decreased in 2008, and we devised an alternative business model that resulted in no further single-premium policies being sold and no further commission being charged. This model was introduced in 2009.

In November 2008, the Minister of Finance asked me to chair the Managing Board of the new bank that was to be created by merging the Dutch state's share in ABN AMRO and Fortis Bank Nederland. After consulting the Dutch Central Bank I decided to accept this new position. As the new bank was still 'virtual', I was appointed Vice Chairman of the Managing Board of the 'old' ABN AMRO. On 3 December 2008, the Dutch Central Bank was asked to approve this appointment, with approval being received on 16 December.

Looking back at my time at DSB Bank, I believe that during the period of just over a year I spent as CFO I successfully sought to achieve improvements in policy. I am confident that this will be confirmed by the investigation that has been announced and in which I will obviously fully cooperate. I very much regret that this programme of improvements was insufficient to prevent the application of the current emergency ruling.

ABN AMRO Group Press Office
pressrelations@nl.abnamro.com
+31 20 6288900