

Profile

The goal of ABN AMRO is to create value for its clients. Key in our relationship approach is a constant focus on the financial services needs of our chosen client segments. It is through the professionalism and motivation of our staff across the globe that we realise this value. By strict adherence to financial targets these efforts produce maximum economic value for our shareholders. The ABN AMRO Values and Business Principles provide the framework within which we carry out our operations. We operate in three principal customer segments, namely Consumer & Commercial Clients, Wholesale Clients and Private Clients & Asset Management. The objective is to maximise the value of each of these businesses as well as the synergies between them. Excellence of service to our clients and leadership in our chosen markets are of paramount importance to our long-term success.

ABN AMRO

- is a prominent international bank; its origins going back to 1824. ABN AMRO ranks eighth in Europe and seventeenth in the world based on tier 1 capital, with over 3,400 branches in more than 60 countries, a staff of 110,000 FTEs and total assets of EUR 597.4 billion (as per 2001);
- is listed on, among other exchanges, the Amsterdam, London and New York Stock Exchanges.

Three global Strategic Business Units (SBUs)

- Consumer & Commercial Clients (C&CC) – for individuals and small to medium-sized enterprises requiring day-to-day banking. We serve approximately 15 million clients, mainly through ABN AMRO's major presence in three home markets: the US Midwest, the Netherlands and Brazil. The Business Unit New Growth Markets is also expanding consumer and commercial operations in selected countries.
- Wholesale Clients (WCS) – for major international corporations and institutions. This is one of the largest Europe-based wholesale banking businesses with around 10,000 clients, 22,000 staff and operations in over 45 countries.
- Private Clients & Asset Management (PCAM) – for high net-worth individuals and institutional investors. Rapidly growing, with Assets under Management of EUR 172 billion and Assets under Administration of EUR 105 billion and strong positions in several markets.



Annual Report 2001
ABN AMRO Holding N.V.

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Mico Jiskoot
Pijkman-Groenink
Joost Kuiper
Dolf Colle
Hugh Scott Barrett
Tom de Jansen
Sergio Lires Rinal

from left to right



Dear Shareholder,

There is no doubt that 2001 was one of the more difficult years your bank has faced for some time. The global economic slowdown, compounded by the tragic events of 11 September and some major corporate collapses, made for unfavourable market conditions. In the midst of it all, we continued to implement our restructuring programme.

So, against this background, it is a pleasure to be able to tell you that your bank performed relatively well. Revenues for the year rose by 2% to EUR 18,834 million and operating results were only slightly down by 3.9% at EUR 5,063 million. The full year dividend is unchanged at EUR 0.90.

Our resilience in 2001 owes much to the composition of our clients, the product and geographic mix of our business and, in particular to the professionalism and dedication of our people. Moreover, the figures do not do justice to the considerable progress we made in other areas, namely business restructuring and cost reduction: we are on course with the main two projects, in the Business Unit Netherlands and in the Wholesale Clients Strategic Business Unit. We have also made great strides towards aligning the three SBUs with further strengthening our retail and asset gathering franchises, the central thrust of ABN AMRO's strategy.

The implementation of Managing for Value, announced in 2000, is well advanced. The business is more clearly focused than ever on creating value. We believe strongly that value creation must be sustainable – for example in its impact on society and the environment. In 2001, therefore, we introduced our Business Principles, which are integral to creating sustainable long-term value. We also related rewards more closely to the bank's true economic performance, and the measures taken to improve efficiency and contain costs are beginning to take effect.

It has been a demanding year. The steps necessary to ensure competitiveness and to move towards our ambitious goals relative to our banking peers have been unsettling for many employees. They deserve enormous credit for the commitment with which they have adapted to change and implemented our strategy. In no small part thanks to them, your bank is fundamentally a stronger institution than it was a year ago. I have every reason to believe that ABN AMRO is better positioned than ever to prosper and take advantage of better economic conditions when they return.

Yours truly,



Rijkman Groenink,
Chairman of the Managing Board



Rijkman Groenink

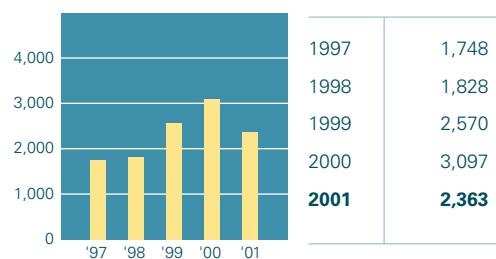
Key results

(in millions)

	2001	2000
Consumer & Commercial Clients	2,347	2,605
Wholesale Clients	328	1,114
Private Clients & Asset Management	270	458
Corporate Centre	441	399
ABN AMRO Lease Holding	227	149
Pre-tax profit	3,613	4,725
Net profit excluding sale of EAB and restructuring charge	2,363	3,097

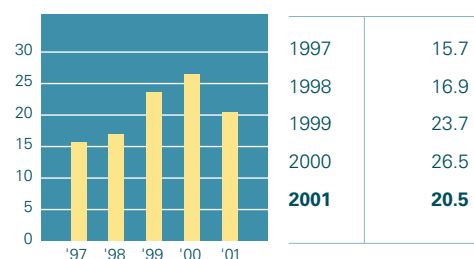
Net profit*

(in millions)



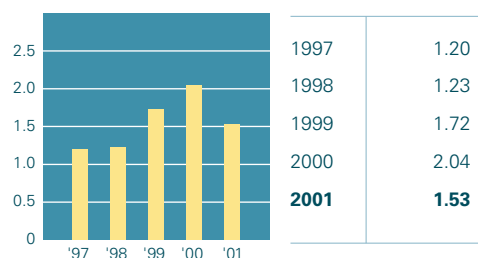
Return on equity*

(in %)



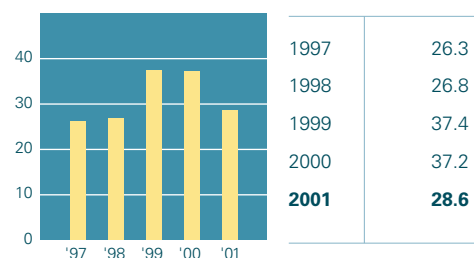
Earnings per share*

(in euros)



Market capitalisation

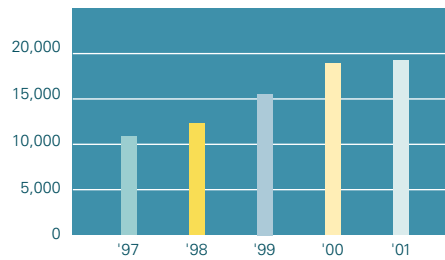
(in billions)



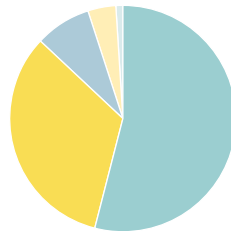
* Excluding extraordinary items.

Revenues 2001 per SBU

(in millions)



in %



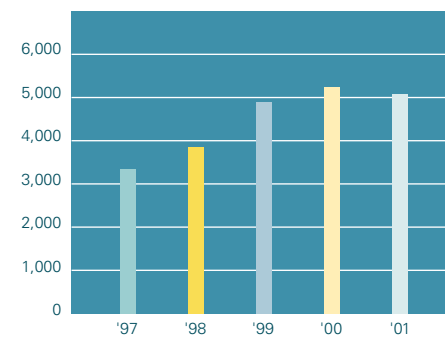
in %

2001

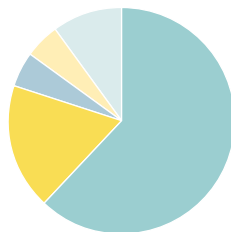
C&CC	54
WCS	33
PCAM	8
AALH	4
CC	1

Operating result 2001 per SBU

(in millions)



in %



in %

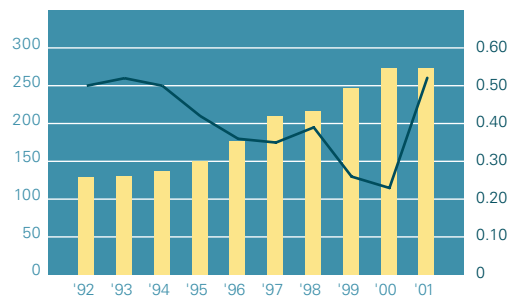
2001

C&CC	62
WCS	18
PCAM	5
AALH	5
CC	10

Risk provisioning as a % of risk-weighted assets

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
RWA (in billions)	128.1	130.5	136.9	149.6	176.7	208.7	215.8	246.4	263.9	273.4
Risk provisioning (in millions)	635	681	681	636	635	726	840	633	585	1,426
Risk provisioning as a % of RWA	0.50	0.52	0.50	0.43	0.36	0.35	0.39	0.26	0.22	0.52

RWA (in billions)



Provisioning as a % of RWA



Supervisory Board

In many respects, 2001 was not an easy year. The considerable organisational changes flowing from the new strategy announced in 2000 posed a challenge to everyone in the bank. As the year progressed, the economic and market conditions deteriorated and uncertainty grew, especially after the tragic events of 11 September. Despite these difficulties, however, ABN AMRO basically made good progress with implementing the strategy and the results illustrate the professionalism and great dedication with which management and staff rose to the challenge. In its essence, ABN AMRO is much stronger now than it was a year ago. We believe that the various measures taken in 2001 will bear fruit in the years to come.

Financial statements and proposed dividend

This annual report includes the financial statements, which were audited by Ernst & Young Accountants and subsequently adopted by our Board. We propose to shareholders that they approve the 2001 financial statements and discharge the Managing Board and Supervisory Board in respect of their management and supervision respectively. Upon approval of the financial statements and the profit appropriation they specify, ordinary shareholders will receive a dividend of EUR 0.90 per ordinary share of EUR 0.56, each with a stock dividend option. An interim dividend of EUR 0.45 has already been declared, leaving a final dividend of EUR 0.45 per ordinary share. The holders of other classes of shares will receive dividends in accordance with the articles of association as described on page 114.

Appointments to the Supervisory Board

With effect from 10 May 2001, Wim Dik, Cees van der Hoeven and Maarten van Veen were reappointed to the Supervisory Board for a new term of four years each. Silas Keehn was reappointed for one year.

Hans van Liemt and Silas Keehn will step down from the Supervisory Board with effect from 2 May 2002. Mr Van Liemt has been a member of our Board for 11 years, during two of them as Vice Chairman. The maximum permissible term of membership of our Board is 12 years, but he will not seek reappointment for one year. With his great wisdom and charisma, Mr Van Liemt has made an extremely valuable contribution to the work of our Board.

Mr Keehn, who was a member of the Board for six years, had already reached the age limit of 70 for serving on our Board in 2001. At our request, he agreed to accept a reappointment for one further year to provide us with the opportunity to identify a suitable US successor. With his specific expertise and wealth of experience, Mr Keehn has been a highly valued and active member of our Board.

Aarnout Loudon and Antony Burgmans are due to resign by rotation on 2 May 2002, but were reappointed by a resolution of the Supervisory Board meeting of 22 March 2002. At the same meeting it was decided that Mr Van Veen will succeed Mr van Liemt as Vice Chairman, and Arthur C. Martinez was appointed as a new member of the Board, with effect from 2 May 2002. Mr Martinez is a former Chairman and CEO of Sears, Roebuck & Co., Inc. and a former Chairman of the Board of Directors of the Federal Reserve Bank of Chicago (for a CV of Mr Martinez, please refer to page 125). We are convinced that, with his extensive experience as a CEO in the US and broad knowledge of US financial markets, Mr Martinez will make a valuable contribution to our Board.

All the appointments were made in accordance with the membership profile updated on 31 March 1998. This profile is available for inspection at the company's offices. The Shareholders' Committee and Central Staff Council were informed of the vacancies and proposed appointments. They did not lodge any objection to the nomination.

As a result of these changes, the size of the Board will fall from 12 to 11 members. Two of the members are non-Dutch.

Management changes within ABN AMRO

In May 2000, the temporary expansion of the Managing Board from seven to ten members was announced. This expansion was an integral part of the implementation of the strategy. Given the progress of the restructuring and in line with the changes in the bank's corporate strategy, our Board agreed to the Managing Board's resolution to reduce its number to seven from reporting year 2002. Rijnhard van Tets, Jan Maarten de Jong and Dolf van den Brink subsequently agreed to step down from the Managing Board as from 31 December 2001. However, they will continue to serve the bank in various capacities. Mr Van Tets will be the bank's representative on a number of corporate boards and committees. Mr De Jong has been appointed the Chairman's special advisor on the bank's Italian interests. Mr Van den Brink will be chief economic advisor to the Managing Board and will represent the bank in important world fora. Messrs Van Tets, De Jong and Van den Brink played vital roles in shaping the bank as it is today: the largest bank in the Netherlands and a global player. More importantly, they have helped create the bank's corporate culture and increase the awareness within the bank of its two greatest assets: its clients and its employees. We thank them for their invaluable contribution to ABN AMRO during their long and distinguished careers.

The Managing Board consulted the Supervisory Board about the appointment to Senior Executive Vice President (SEVP) of Nigel Turner and Robert van Paridon, both in the Wholesale Clients Strategic Business Unit (WCS).

As part of the restructuring and the adjustment of corporate strategy and due to retirements,

the number of Senior Executive Vice Presidents was reduced from 29 to 21.

Other activities

The Supervisory Board met on six occasions during the period under review, each time in plenary session with the Managing Board. In line with current corporate governance practice, our Board has decided to meet on its own at least once a year. On that occasion we will discuss the functioning of our Board and the Managing Board.

The Chairman and Vice Chairman of the Supervisory Board and the Chairman of the Managing Board prepare the meetings of our Board. Regular agenda items included financial performance, human resources policy, credit and other risks and major transactions. We discussed at length the implementation of the bank's new strategy and the adjustments made to it during the year. A particular issue was the new client service concept in the Netherlands and the accompanying reorganisation of our Dutch retail business (the 'No Detours' programme).

At one or more of its meetings, the Board considered proposed acquisitions and divestments, the auditor's report (including the management letter), budgets, appointments, the organisational structure of the bank and the composition of the Board. Attention was also given to the bank's communications policy, the formulation of business principles, the recommendation of the Dutch Social and Economic Council regarding the adjustment of the structure regime, the proposed New Capital Accord or Basel II and its impact on our bank, the amendment of the articles of association and the General Meeting of Shareholders. Other issues included the funding of the bank's operations, market shares, the annual report and the remuneration and composition of the Managing Board.

Members of our Board attended meetings of the Central Staff Council by rotation. The exchange of views was fruitful and we appreciate the contact.

Selection and Remuneration Committee

The Chairman, Vice Chairman and one other member of the Supervisory Board make up our Selection and Remuneration Committee. The Committee met on six occasions and discussed with the Chairman of the Managing Board the composition and the remuneration of the Managing Board, as well as the composition of the Supervisory Board, and prepared proposals to the Supervisory Board.

The proposals were in line with the new remuneration policy, which came into force at the beginning of 2001 following a review of the Managing Board's remuneration to craft a package that is competitive internationally. To ensure consistency and cohesion, the Managing Board agreed on a similar remuneration structure for the rest of the top management of the bank. This level consists of all Senior Executive Vice Presidents, Executive Vice Presidents and Managing Directors. The Managing Board has decided that senior management of the Group will not receive an annual pay rise in 2002.

Remuneration policy

In last year's Annual Report we informed you about the changes in the basis for the reward of the Managing Board and other top executives of ABN AMRO, which took effect at the beginning of 2001. We would now like to fill in some details of the thinking behind these changes and the way they have affected rewards for the Managing Board members.

There were two basic principles underlying the new reward structure. One was that in setting reward levels the bank should aim to be competitive with leading European banks. This results in base pay, annual bonus levels,

option grants and performance shares which are around the upper quartile when compared with other major Dutch-parented multinationals but are still well short of the levels paid by some of the major American-parented banks and investment banks. The second principle was that there should be a much stronger emphasis on performance in the annual bonus plan and an additional incentive for the Managing Board as a whole to achieve the very demanding targets that have been set in terms of Total Return to Shareholders (TRS).

Against this background, the following are the main details of the reward programme.

Common base salaries apply to all Board members except the Chairman, for whom the Selection and Remuneration Committee has agreed a differential of 40%. This is considered appropriate in the light of market norms and the relative weight of the Chairman's role vis-à-vis other Board members.

In addition to these base salaries, the two non-Dutch Board members will continue to receive an additional allowance to recognise the significantly higher market rates of pay in the markets from which they came. The appropriateness and level of this allowance will be reviewed annually.

In light of the worsening market conditions, the Managing Board proposed to the Supervisory Board that base salaries for the Managing Board and other top executives would not be subject to any general increases for 2002. This proposal was adopted by the Supervisory Board.

The annual bonus is now based upon a combination of value-based performance measures such as Economic Profit (EP) and efficiency ratios and a number of other key strategic targets which are set for the organisation at the beginning of each year.

The Chairman's bonus and that of the Chief Financial Officer will be based upon the financial performance of ABN AMRO and their personal performance. The bonus of Board members who are responsible for an SBU will be based upon a combination of the financial performance of ABN AMRO, the financial performance of their SBU and their personal performance. The normal maximum bonus has been set at 100% of base salary, with the expectation that on-target performance will result in bonuses in the order of 60% to 75%. In exceptional circumstances, the Selection and Remuneration Committee may decide to grant bonuses of up to 125% of base salary.

In accordance with the above and reflecting the lower financial results, the 2001 annual bonuses for all of the Managing Board members have been set at significantly lower levels than in 2000. Furthermore, the new bonus arrangement introduces for the first time different bonus levels for different Managing Board members. This is a result of the variations in financial performance between each SBU. Total cash levels for 2001 are therefore significantly lower than for 2000.

Share option grants will continue to be made at levels which are reasonably comparable to the past, i.e. with a face value in the order of two to two and a half times base salary for Managing Board members. Effective 2001, Managing Board members will receive a grant of 80,000 conditional options, whilst the Chairman of the Managing Board will receive a grant of 112,000 conditional options. The options granted are 10-year options. They cannot be exercised for at least three years from the date of grant and then only if the bank has achieved real growth in EP (e.g. economic profit in 2004 higher than in 2001) and an agreed minimum return on equity in the third year of 12.5%. If both these criteria are not met in the third year after options are granted, the test may be applied in up to three

subsequent years. But if they are not met at all within six years from the date of grant the options will lapse. These performance conditions will apply to all options granted from this year onwards.

A new performance share plan has been introduced, operating over four-year performance periods, the first one of which started in January 2001. At the beginning of the period, Managing Board members received a conditional award of shares. Depending upon the bank's performance during the period, some, all, more or none of these shares will be made over to them at the end of the period – assuming, of course, that the individual remains in service at that time. Managing Board members received a conditional award of 70,000 shares, with the Chairman receiving a conditional award of 98,000 shares. For the purpose of this plan, the bank's performance is measured in terms of the TRS generated by the bank relative to the TRS generated by the peer group against which we benchmark our performance.

The full, standard award will be paid if the TRS generated by the bank is just above the upper quartile (fifth out of 21) relative to the peer group. There will be a sliding scale, from no award if the bank is lower than tenth to 150% of the standard amount if the bank is at the very top of the TRS rankings.

To put the plan's performance conditions into context, the bank's TRS has only occasionally ranked in the top five in the last ten years. The aim of this plan is, therefore, to galvanise the top management of the bank into concerted action which will produce the sort of results we have told shareholders we aim to achieve.

There is no commitment to future awards. However, the plan does allow for awards to be made in future years and the Selection and Remuneration Committee will make the same awards available to Managing Board

members in 2002 contingent upon the bank's performance over the period 2002 to 2005.

All the changes have been aimed at increasing the performance orientation of the bank's reward programmes, at supporting the successful implementation of MfV and aligning the financial interests of our top executives with those of our shareholders.

Other elements of reward for the Managing Board include the following:

- a non-contributory defined pension plan which generates a maximum pension of 70% of pensionable salary at the normal retirement age of 62, provided they have had at least 30 years of service with ABN AMRO. The pensionable salary has been restricted to 90% of actual base salary for Managing Board members;
- the use of a company lease car with driver;
- a tax free representation allowance of EUR 4,084 for the members and EUR 5,445 for the Chairman to cover non-reimbursable expenses;
- reimbursement of the cost of adequate security measures for their main private residence;
- a 24-hour personal accident insurance with a fixed covered amount of EUR 1.8 million for members and EUR 2.5 million for the Chairman;
- preferential rates on bank products such as mortgages and loans as well as a subsidy on private health insurance, all according to the same rules that apply to all other ABN AMRO staff in the Netherlands.

Audit Committee

The Audit Committee, comprising the Chairman, Vice Chairman and four members of the Supervisory Board who are appointed for two years, met on five occasions with the Chairman of the Managing Board, the Chief Financial Officer and one or more other members of the Managing Board. The Audit Committee is responsible for the preparation

of the plenary discussion of the quarterly and annual results, budget, major loans, provisioning for loan losses and the management letter. In the year under review, the committee also considered risk management policies, legal procedures in which the bank is involved and the performance reviews of recent acquisitions. Other issues were the risk charter and the audit charter.

We also discussed the Dutch central bank's new regulations on organisation and control (ROC). Having assessed these requirements, the bank's conclusion was that it was already in compliance with the majority of these regulations and would fulfil all of its obligations thereunder in the course of 2002. The minutes of the Committee meetings are distributed to, and discussed by, the full Board.

The external and internal auditors attended meetings at which the financial statements, auditor's report, audit charter and management letter were considered.

Given that prevailing financial and economic conditions are exceptionally fluid, it is unusually hard to anticipate developments. But we are confident that the advances ABN AMRO made in 2001 and the continued commitment of the bank's staff will be reflected in the years to come.

Amsterdam, 22 March 2002

Supervisory Board

Group strategic direction

The Group's new business model, structured along the lines of three global, client-focused SBUs, took further shape in the course of 2001. Whilst only in existence for a year, the merits of this new Group structure are already visible. The Group is now better positioned to react quickly to new developments in the rapidly evolving financial services industry. One of these developments is the emergence of 'open-architecture' – a segregation of the production, processing and distribution functions – in Europe and elsewhere. ABN AMRO operates at the forefront of this development.

Our asset gathering franchise forms the strategic foundation of our Group. Combined, C&CC and PCAM represent 78% of the Group's 2001 Net Profit (excluding extraordinary results) and 60% of the Group's Risk Weighted Assets. It is our aim to further strengthen our asset gathering franchise in the coming years. In 2001, we have started a number of initiatives in this regard. The restructuring of our Dutch retail franchise is a good example. Apart from saving costs, the new service concepts will significantly improve the proposition towards our clients, both in terms of convenience and professional advice. As another example, the business models within our private banking franchise have been reviewed in detail to further strengthen our proposition towards the various private client segments.

Our WCS franchise is an integral part of the Group from a strategic perspective. Various initiatives have been implemented in the course of 2001 to further align WCS with the Group's overall strategic direction, effectively making the three SBUs mutually supportive. WCS has already established its client relationship model, building on a strong base of profitable corporate and institutional clients in Europe. In addition, measures have been taken to further exploit cross-SBU synergies, such as further leveraging its investment product

expertise towards retail and private clients, and using its corporate and institutional distribution capabilities for asset gathering purposes.

“The only way to create value for our shareholders is first to create value for our clients. Therefore motivated employees are of vital importance.”

Rijkman Groenink, Chairman of the Managing Board.

In the short to medium term, the strategic focus of the Group will be particularly on Europe. The introduction of the euro has only accelerated the convergence of the European financial markets. In addition to an ongoing consolidation of the European financial services industry, we are also witnessing an increasing convergence between various industry sectors, such as – for example – banking, insurance and asset management. Within this challenging market environment, it is our aim to further strengthen our position as one of the leading financial institutions in Europe.

We will continue to benefit from our strategic assets in the US and Brazil. In 2001, once more, our US and Brazilian operations – both leading franchises in their own markets – proved extremely valuable to the performance of the Group. This underscores the merits of having a well-balanced business portfolio. Increasingly, the C&CC businesses benefit from being part of the Group at an operational level, tapping from a deep and diverse source of retail banking expertise and capabilities.

Beyond making money

Corporate citizenship

Beyond making money

Being an active and responsible member of the societies and communities in which we operate, is very important to us, morally as well as financially. Whether spelling out the principles on which we conduct our business or supporting sports and the arts, we believe that being a good corporate citizen creates value for all stakeholders – employees, clients, investors, communities and others. By approaching ethical, environmental and social issues openly and consistently, ABN AMRO can help to promote the sustainable development on which all our futures depend in an increasingly global economy.

Managing for Value (MfV). We will build compliance with them into the assessment and remuneration of managers and employees, and into recruitment and risk management.

The practical consequences do not stop there. Client acceptance procedures are rigorous and the non-financial aspects of transactions are taken into account. We support sustainability, human rights and the preservation of the environment. The Group offers sustainable investment funds and has already published a forestry policy governing financial support for projects – such as some palm oil plantations – which may harm tropical rainforests. More of these kind of policies will follow.

“We do not want to m̄st at any cost.”

Sergio Lires Rial, member of the Managing Board responsible for WCS Products.

“Adherence to the Business Principles will absolutely enhance the value of our company.”

Wilco Jiskoot, member of the Managing Board and Chairman of WCS.

However, the Business Principles are not the answer to every dilemma. Rather, the aim is to give meaning to their spirit in daily life by shifting horizons beyond short-term profit to long-term value creation through sustainable development.

Sustainable development

ABN AMRO's sustainable development policies and practices took a major step forward in November with the publication of our Business Principles. We will roll them out across the organisation in the first half of 2002. Based on the premise that long-term shareholder value is the product of performance and reputation, which are mutually reinforcing, the Business Principles are the starting point for dialogue with our stakeholders.

Externally, the Group is willing to have an open and honest dialogue with third parties, such as Non-Governmental Organisations. Internally, the Business Principles are fully aligned with

Our Business Principles

Based on our four Corporate Values, we have formulated our Business Principles that guide all our employees in their daily work.

These principles are:

- We are the heart of our organisation
- We pursue excellence
- We aim to maximise long-term shareholder value
- We manage risk prudently and professionally
- We strive to provide excellent service
- We build our business on confidentiality
- We assess business partners on their standards
- We are a responsible institution and a good corporate citizen
- We respect human rights and the environment
- We are accountable for our actions and open about them

You can find the full Business Principles at:
www.abnamro.com

Reactions and questions:

business.principles@nl.abnamro.com

→ We would like to set up a meeting in Amsterdam with your company as soon as possible to discuss the and other issues.

RES? POSSIBILITY



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Respecting human rights and the environment is an integral part of responsible social behaviour and corporate citizenship. We follow these principles of sustainability.

We support sustainability, human rights and preservation of the environment in line with the legitimate role of business. We emphasise the boundaries of our responsibilities as a commercial organisation, because business cannot and should not take over responsibilities of governments. We will not get into situations that conflict with the law. Since our primary focus is on shareholder value in the long-term, we will maintain good relations with all stakeholders.

Acceptance, fraud or circumstances are gifts in cash, the gift is participation of any value only. The

ing specific
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Beyond making money

Sponsorship

ABN AMRO supports a wide variety of projects, particularly in sports and the visual arts. Naturally, sponsorship maintains and strengthens our brand. But it also gives a welcome boost to many organisations and communities. Thousands of our employees devote their time and talents to working in their communities, often forging strong and mutually rewarding relationships. Here are some examples of what we do.

The LaSalle Bank Chicago Marathon: record-breaking

The LaSalle Bank Chicago Marathon is a record-breaking event. The flat loop course is among the fastest in the world, and many world records have been broken on it. The number of participants, volunteers and spectators continues to grow, turning the LaSalle Bank Chicago Marathon into the second biggest marathon in the United States.

In 2001, more than 37,500 participants, 6,500 volunteers, 950,000 spectators and a huge television audience enjoyed a family weekend. In addition to promoting a healthy lifestyle, the LaSalle Bank Chicago Marathon supports several charitable programmes.

Banco de Valor: creating value in Brazilian society

In Brazil, ABN AMRO and Banco Real have integrated a large number of social projects under the umbrella Banco de Valor (Bank of Value). Besides giving financial support, Banco de Valor involves ABN AMRO and Banco Real staff in projects such as the Instituto Escola Brazil, through which our employees 'adopt' some 80 schools with 70,000 students. We give financial assistance to projects in public schools, caring for the environment and the training of handicapped professionals. Instituto Escola Brasil supports activities in sports, arts, reading and writing skills. www.bancoreal.com.br

Van Gogh and Gauguin in Amsterdam: cultural event of 2002

The exhibition Van Gogh & Gauguin, on show in Amsterdam from 9 February through 2 June 2002, promises to be one of the year's major cultural events in Europe. Previously exhibited in Chicago in the autumn of 2001, where 690,000 people visited it, the exhibition brings together 120 works of art from all over the world. The theme is one of the most dramatic episodes of modern art history: Vincent van Gogh and Paul Gauguin's collaboration at the Yellow House in Arles, which culminated in Van Gogh producing some of his finest work. For the first time since 1888, three versions of Van Gogh's Sunflowers have been reunited.

ABN AMRO is the exclusive sponsor of the exhibition, and supports it financially and through marketing. ABN AMRO clients are entitled to a discount on tickets and catalogues. Impressions of the Sunflowers paintings by players from AJAX, a leading Dutch soccer team, will be on view during the exhibition. Christies will then auction the impressions and the proceeds will be donated to the Johan Cruyff Welfare Foundation. www.abnamro.com/sunflowers



Developing leadership

If ABN AMRO is to achieve its ambitious goals, it is imperative that we focus a significant part of our efforts on the people in our business. Early on it was decided to concentrate initially on the bank's top executives – including the Managing Board members – totalling about 250 managers.

Leadership profile

Outstanding leadership is required to bring about change and to achieve Managing for Value (MfV). To define what that means, we created a profile of leadership excellence. This profile describes the type of leader and the behaviour ABN AMRO needs to achieve superior performance.

The new leadership profile is the basis for collecting data on the leadership styles of our top executives and the organisational climate those styles create. Personal feedback on the data will lead to development activities for each top executive.

“Our people are the heart of ABN AMRO. Managing for Value is about motivating and developing every individual in the bank so that they, and all other stakeholders, benefit.”

Rijkman Groenink, Chairman of the Managing Board.

Establishing accountability

Bearing in mind the importance of transparency and accountability, a more robust and rigorous process of individual performance management was needed to complement the new disciplines which MfV brought to us. The new process means that actual performance delivered against pre-agreed objectives will form the basis for an overall performance rating, which, in turn, will be the most important driver of individual reward.

Aligning reward

Reward for top executives of the bank has become more variable, more equity-based, more focused on the long term and more geared to the achievement of value-based performance metrics. In future, annual bonuses will be largely driven by economic profit (EP) contribution. Share options will be determined by meeting long-term performance goals such as Group EP and return on equity. A new performance share plan was introduced which will only pay out in full when the bank has achieved its overall goal of reaching fifth place in our self-defined peer group by the end of 2004, measured by Total Return to Shareholders. Remuneration is discussed in more detail on pages 10 and 99.

Building talent

In the autumn of 2001, a series of Business Performance and Leadership workshops was organised for the top executives of the bank. The workshops engaged leadership in cross-SBU dialogue with Managing Board members and Senior Executive Vice Presidents on the successes and challenges of implementing MfV in the business and helped to identify where the bank is in the process and to what the leaders must commit. The bank's new Business Principles were discussed at length in these workshops.

We have made a start with building the pipeline to the top executive group. The Senior Management Course, for our Senior Vice President population, and the ABN AMRO Leadership Program, for our high potential Vice President population, were redesigned to be more aligned with business needs and the strategic changes the bank is undergoing.

Recognising contribution

Due to the changes in strategy and structure of our bank, employees have been exposed to a significant transformation process. Even though the impact of the change has been different in different parts of ABN AMRO, all staff was confronted with the need to change the way they behave and work to help achieve the ambitious goals ABN AMRO has set. Despite the inevitable distractions that the change process has brought, employees continued to keep up their motivation and commitment and deliver results, whilst ABN AMRO continued to invest in their training, development and career planning.

Focus on the future

In 2002, we will continue to work on further strengthening the capabilities and competencies of our top executive group and individuals with top executive potential. Leaders should become, through their behaviour, role models who inspire the people they manage. At the same time, more resources will be devoted to human capital development in the wider population of the bank so that all our staff will be ready for the new challenges. The planned initiatives include the design of an integrated people model and architecture required for the successful delivery of MfV.

ABN New to Private Banking
... a small, attentive and discreet
... a part of a
major reputable banking
institution

Results from financial transactions

... the Euro-Mediterranean Term Note Program issued in the offering Circular (the "Program"). ABBN's "Euro-Mediterranean Term Note Program" is subject to compliance with all relevant laws, regulations and conditions, may from time to time issue Euro-Mediterranean Term Notes (the "Notes"). The aggregate principal amount of Notes outstanding will not, at any time, exceed €2,000,000,000 (or the equivalent in local currencies).

Core businesses

Consumer & Commercial Clients

Consumer & Commercial Clients (C&CC) serves our 15 million personal customers and clients in the small and medium-sized enterprise (SME) sector. ABN AMRO is among the leading players in these segments in its three home markets – the US Midwest, the Netherlands and Brazil. Our consumer and commercial banking activities elsewhere in Europe and in Asia are clustered in the BU New Growth Markets. The interest in the Hungarian Kereskedelmi és Hitelbank, also forms part of this BU. The SBU's other operations include Saudi Hollandi Bank and the Bank of Asia in Thailand. Additionally, we are present in Italy through our interests in Banca di Roma and in Banca Antoniana Popolare Veneta (BAPV).

America, EUR 1,432 million (2000: EUR 1,238 million); the Netherlands, EUR 284 million (2000: EUR 643 million); Brazil, EUR 437 million (2000: EUR 515 million); Other, EUR 194 million (2000: EUR 209 million).

Strategy

The central thrust of our strategy is to acquire and maintain sustainable positions in our home markets. In the US Midwest, the Netherlands and Brazil we offer our retail and SME clients a full range of high-quality financial services, and we aspire to a uniform application of the best working methods worldwide through knowledge sharing. We are also active in promising areas in Asia and Europe with a view to increasing the number of home markets. Moreover, we have withdrawn from areas where a strong and sustainable market position is not feasible. With a focus on Europe, we are stepping up our asset gathering initiatives in those areas, where a strong rise in demand for individual wealth creation services is expected.

“We are convinced that the new Dutch service concept will become the benchmark in the banking industry.”

Joost Kuiper, member of the Managing Board and Chairman of C&CC.

“All our activities are aimed at responding with maximum flexibility to the needs of our clients.”

Dolf Collee, member of the Managing Board responsible for C&CC in the Netherlands.

Results

The performance of C&CC reflects the robustness and sustainability of our retail franchises. Revenues increased by 1.8% to EUR 10,203 million, while operating expenses were up 3.6% to EUR 7,052 million compared to 2000. Weaker market conditions caused provisioning to increase by 31.0% to EUR 802 million. The number of staff (FTEs) slipped 2.8% to 73,736.

Pre-tax profit fell by 9.9% to EUR 2,347 million. Broken down by BU, pre-tax profits were: North

US Midwest

In the US Midwest – an economy the size of Germany's – we can rely on a solid basis for asset gathering. With our subsidiaries LaSalle Bank and Standard Federal Bank, ABN AMRO is the second largest bank in the US Midwest, servicing more than 4 million clients. We offer a full range of products at every branch and commercial middle market services in eight states.

Netherlands

In 2001, we launched a new, multi-channel service concept. The starting point is that the 4.5 million clients we serve, can come to us for the full range of financial services at the time and via the distribution channel most convenient to them. A real-time client information system is being developed so that the latest client data are always available to every channel and we can respond to clients' needs with maximum flexibility and efficiency.

Implementation of the new service concept, together with centralisation and the automation of as many back office tasks as possible, will result in a staff reduction in the Netherlands of 6,250 FTEs. This staff reduction will be realised without forced redundancies over a period of three years.

Brazil

Servicing almost five million clients through a network of 810 branches, 854 minibranches, and 898 stand-alone ATMs, our fast-growing Brazilian business ranks fifth amongst the privately held banks in one of the developing world's major markets. Given the nature of the Brazilian market, the BU Brazil continues to offer integrated delivery of products and services to corporate clients as well as retail

Snapshot of the year

- Sale of European American Bank for EUR 1,889 million
- Acquisition of Michigan National Corporation for EUR 3,145 million
- Standard Federal Bank and Michigan National Bank merge into Standard Federal Bank
- Successful pilot of the new, multi-channel service concept in Dordrecht, the Netherlands
- Successful launch of Internet banking in the Netherlands
- BU Brazil wins contract to provide General Electric with full-service package comparable to the Fiat project
- ABN AMRO is again the world's largest financier in the international diamond industry
- Expansion of network and services in India.

ABN AMRO North America mortgages

Our mortgage business in the United States is a prime example of our highly successful presence in North America. Fuelled by the acquisition of Standard Federal Bank in 1997, and subsequent opportunities to acquire additional mortgage providers, we have built one of the leading mortgage franchises in the United States.

The strongly cultivated sales culture of our staff – coupled with continued growth in home sales and increased home ownership – stimulated the growth in the US mortgage business over the past several years. Lower long-term interest rates in 2001, influenced by several factors including the multitude of rate cuts by the US Federal Reserve, resulted in the lowest mortgage rates in history. This confluence of factors resulted in unprecedented mortgage demand. The

numbers speak for themselves: in 2001 our US mortgage franchise originated EUR 89 billion in single-family residential mortgages, which represented a 248% increase over mortgage origination in 2000.

Apart from our impressive origination capabilities, we are a national leader in mortgage servicing, providing an additional key source of fee income. Approximately 90% of the originated mortgages are immediately securitised and the paper sold to the market at large, with the related servicing rights producing fee-based income.

This outstanding performance has allowed ABN AMRO Mortgage Group, Inc. to secure the position of 5th largest loan originator and 8th largest loan servicer in the United States in 2001.

Selected information

(in millions)

	2001	2000
Net interest revenue	6,812	6,970
Net commissions	1,852	1,988
Results from financial transactions	272	266
Other revenue	1,267	802
Total revenue	10,203	10,026
Operating expenses	7,052	6,809
Provision for loan losses	802	612
Value adjustments to financial fixed assets	2	
Pre-tax profit	2,347	2,605
Total assets	242,796	223,154
Risk-weighted assets	158,141	157,385
Full-time equivalent staff	73,736	75,867
Number of branches and offices	3,161	3,238

clients. An example is our service to Fiat in Brazil. We manage 98% of the company's cash flow, collect its invoices, provide financing and other services to the companies involved in its entire production chain, and service more than 25,000 employees through 16 onsite minibranches and 13 stand-alone ATMs. Our competitive position in Brazil offers excellent

potential for future growth in consumer banking, commercial banking and wholesale clients, as well as for further strengthening our market leadership in consumer finance.

New Growth Markets

The adoption of new market strategies, such as the creation of joint ventures with retail groups, has given our European activities a major fresh impetus. As part of this, ABN AMRO has identified Italy as an attractive growth market, given our interests in Banca di Roma and in BAPV. The position in Asia, and India particularly, grew vigorously in 2001. Here we provide top retail clients with high quality service tailored to their specific requirements.

Bouwfonds

Bouwfonds, ABN AMRO's property development and financing subsidiary in the Netherlands, reported a 32.8% improvement in net profit. With the acquisition in mid-2001 of Marignan, the fifth largest property developer in the French housing sector, the company took a major step towards internationalising its operations.

Client needs are key

The behaviour of our clients is changing. They expect a fast and efficient service as well as specialised advice, and are increasingly making use of direct channels such as call centres and the Internet. Competition in our market is intensifying. Market research and Managing for Value analysis revealed that ABN AMRO needed thoroughly to review its Netherlands retail operations both to respond optimally to its clients' needs and to achieve a higher return. This culminated in an operation dubbed 'No Detours'.

Our consumer clients and SMEs will be able to visit 570 modern bankshops, and make use

of our call centre and the Internet for day-to-day financial services. In some cases, however, they will prefer a more personal and customised service. We are setting up a nationwide network of 80 strategically located advisory branches where clients can meet with our specialists by appointment to seek advice on their more complex transactions and financial needs. Furthermore, five corporate client units are being set up specifically for our large corporate and institutional clients. The new integrated, multi-channel network, which is to be fully operational by 2003, will offer our clients a service unique in Europe.

Looking ahead

In the US we foresee better results from sharper client segmentation, greater emphasis on top personal clients and a more focused sales mentality at the former Michigan National Bank. In the Netherlands the implementation of our new, more client-focused service concept will invigorate revenue growth. Together with further cost efficiencies, this will lead to higher results. And in Brazil we have set our sights on the more profitable client segments and on increasing our distribution capacity. Our strategy is aimed at securing a sustainable position in this important market, as outlined above.

CREDIT ADVISE
DIVIDEND PAYMENT

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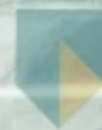
DIVIDEND ON

28
ABN AMRO EQUITY UMBRELLA FUND NV - SERIE 1 EURO FUN
SHARES / SMALL COMPANIES EUROPE FUND - SERIE 1
DIVIDEND : EUR 0.100000 PER UNIT
EX-DATE : 17.12.2001 PAYMENT DUE ON

GROSS
21.000 € TAXES

NET

AT 1.47519
WE CREDIT YOUR ACCOUNT A211621A



BANCO REAL
ABN AMRO Bank

ABN AMRO

ABN AMRO

Dear colleagues,

Herewith I would like to confirm our meeting on 28 November at 10:00 in room 22.

Conferences then
3 to get into
and leave

→ Objective Solidate, Based }
Risk mgmt
Corp. comm.

↳ Assurance Board: - Getting our roles / incentives
- getting relevant feedback on impact
- Random screen: What's going on in the world
- assurance vs. it's external stakeholders

→ Composition: ~~thematic~~ global representation
- relevant experts - business

→ meeting schedule: twice a year? (Habit? Habit? & then)

Wholesale Clients

Wholesale Clients (WCS) provides corporate and investment banking services to ABN AMRO's corporate, financial and public sector clients. Products and clients have been grouped so that we can deliver the best value to the client and the bank.

“Our international network gives us every opportunity to deliver these services.”

Wilco Jiskoot, member of the Managing Board and Chairman of WCS.

“You can't hide. Managing for Value forces issues onto the table.”

Hugh Scott-Barrett, member of the Managing Board responsible for WCS Clients.

“The clients are the ultimate jury.”

Sergio Lires Rial, member of the Managing Board responsible for WCS Products.

Equities related business and Corporate Finance was affected by difficult market conditions. As a result, trading revenues decreased. Nevertheless, in the latter part of the year we led some large capital raising transactions and M&A deals.

Equities and Corporate Finance were slimmed down in the fourth quarter to improve their effectiveness and to bring expenses more in line with revenues. Duplication between Corporate Finance and Client Coverage was removed. We merged the Financial Institutions BU and Public Sector BU into a single Financial Institutions and Public Sector BU (FIPS). Measures to ensure an effective and sustainable market presence resulted in targeting Corporate Finance on clients such as financial institutions and large corporates which place a premium on high transaction skills. We restructured the US equities business. Most of the cost savings from the reduction in headcount will be realised in 2002.

We set up the global Technology, Operations & Property Services (TOPS) transition programme in January 2001 to regionalise and globalise, wherever possible, service provision. TOPS succeeded in meeting its commitment to reduce its costs base, delivering cumulative and structural P&L savings of approximately EUR 150 million in 2001. Efforts throughout the year have focused on rationalising and consolidating Technology and Operations functions and implementing rigorous cost control processes across the regions.

Strategy

WCS brings together many of ABN AMRO's core strengths: a broad product range, international reach, sector expertise, an AA credit rating and enormous human talent. MfV helps to integrate these assets most effectively to serve the client, and this client-led strategy will drive the development of WCS.

Results

Revenues held up relatively well in 2001, despite weak market conditions. This can be explained by the relatively high proportion of revenues from products offered by the BU Global Financial Markets (GFM) and other flow-related products such as custody and transaction services which generate steady earnings and are less sensitive to business cycles. Total revenues declined by only 3.1% to EUR 6,193 million. Expenses increased by 2.5% to EUR 5,302 million, partly due to the acquisition of certain ING Barings activities in the US. Pre-tax profit fell sharply by 70.6% to EUR 328 million, particularly due to higher provisioning. The number of staff (FTEs) was 2.5% lower at 22,423.

The broad mix of clients and products proved its value in 2001. GFM and other flow-related income were very strong. The performance of

To help implement the strategy, we radically examined all our businesses and rigorously analysed where value is created in WCS and how efficiency can be improved. The renewed flow of business and the pipeline that already exists for 2002 reflect the new sector-led strategy. Recent awards and league table positions also illustrate its success.

Client coverage is aligned with our overriding objective of being a leading wholesale bank, delivering integrated corporate and investment banking services to large cap and large local clients in our chosen sectors. Particular emphasis is placed on the global activities of our European clients.

We will continue to pay close attention to capital management. Capital is allocated to those sectors, clients and products which offer the greatest opportunities for economic growth and economic profit. Capital is proactively managed at the sector level and is allocated to these relationships and transactions which offer the most attractive EP. As a consequence WCS is able to maintain a flexible approach to capital use and maximise economically profitable business opportunities from all our clients.

Looking ahead

While the market related revenues highly depends on the market developments, the new client coverage model is expected to generate strong client related business flows. As far as costs are concerned, TOPS strategic priorities for 2002 will build on those of 2001, with a continued emphasis on lowering costs. Furthermore, as the headcount reduction in WCS took place towards the end of 2001, most of the cost savings will be realised in 2002.

Snapshot of the year

- Excellent year for GFM
- Underwriting the EUR 5 billion share issue for KPN, the Dutch telecommunications company
- Raising a USD 735 million bridge-facility to fund the acquisition of 46% of Maxis, one of Malaysia's leading mobile phone operators, from British Telecom and AT&T by the other shareholders.

Don't care what the Weathermen say

What can a bank do about the weather? More than you might think. In October, ABN AMRO hedged the frost exposure of a Dutch construction company. The hedge was a pioneering weather derivative devised by our newly created Derivatives Structuring group.

It was ABN AMRO's first weather derivative transaction and, with a nominal size of EUR 126 million, was then the largest deal of its kind. Under the contract, the construction company stands to be reimbursed for losses caused by cold weather.

Professional brokers and end users have actively traded weather derivatives for several years. The ABN AMRO deal shows that banks, with their centuries of experience in structuring cash flows, can use their skills to intermediate and mitigate weather, catastrophe, commodity and other risks. We are looking at extending weather derivatives to other industries in the second quarter of 2002 and embedding protection in lending facilities.

*Selected information**(in millions)*

	2001	2000
Net interest revenue	2,378	1,683
Net commissions	2,220	2,819
Results from financial transactions	1,322	1,456
Other revenue	273	436
Total revenue	6,193	6,394
Operating expenses	5,302	5,175
Provision for loan losses	543	148
Value adjustments to financial fixed assets	20	(43)
Pre-tax profit	328	1,114
Total assets	294,711	269,665
Risk-weighted assets	95,171	88,451
Full-time equivalent staff	22,423	23,003
Number of branches and offices	184	274

Heavyweight finance for light metals

Demand for light metals such as magnesium is growing fast, especially in the automotive industry. In 2001, ABN AMRO played a pivotal role in helping Australian Magnesium Corporation (AMC) raise finance totalling AUD 1.8 billion to develop the world's largest magnesium metals smelter – the Stanwell Magnesium Project – in Queensland, Australia.

By providing a bundled advisory, debt and equity service, the deal illustrated the full range of the bank's origination capacity and highlighted ABN AMRO as one of the few integrated full service providers of wholesale banking products in the Australian market.

The financing consisted of an AUD 902 million underwritten debt package and an

AUD 525 million equity offering. It originated from the close relationship between AMC and Project Finance & Advisory, which was one of the Joint Lead Arrangers.

ABN AMRO Rothschild and ABN AMRO Morgans, our Australian broker, were Joint Lead Managers for the domestic equity offering.

Corporate Finance is Ratings Advisor for a proposed US High Yield offering. GFM (Capital Markets) has been mandated to be Joint Lead Manager and Joint Bookrunner for the US High Yield offer (the first Lead Manager/Bookrunner ever). GFM (Syndications) is acting as Joint Bookrunner and GFM (Derivatives) has been mandated to undertake part of the foreign exchange and interest rate hedging.

WCS Clients and Products

Clients

- Financial Institutions & Public Sector (FIPS)
- Telecom, Media & Technology (TMT)
- Automotive, Consumer & Diversified Industries (ACD)
- Integrated Energy, Chemical & Healthcare (ECH)

Products

- Loan Products (LP) (*corporate & sovereign lending*)
- Global Financial Markets (GFM) (*treasury, fixed income, capital markets*)
- Equities (*sales, trading & research*)
- Global Transaction Services (GTS) (*cash management, clearing & execution, trade services, custody*)
- Private Equity (*management buyouts, leveraged buyouts*)
- Corporate Finance (*mergers & acquisitions, advisory*)

Piso Corporation

€550,000,000

5.75% Notes due 2006

Nutreco

€750,000,000

Multicurrency Revolving Credit and Bank Guarantee Facilities

Capital Co-venturer
ABN AMRO Bank N.V.

US \$1,800,000,000

Initial Public Offering
Co-Managed by
ABN AMRO ROTHSCHILDIndian Oil
Corporation

US \$200,000,000

Syndicated Term Loan

Private Clients & Asset Management

Private Clients & Asset Management (PCAM) provides private banking services to wealthy clients and asset management services. With private banking operations in the Netherlands and France, ABN AMRO is a leading player in these markets. We also have strong positions in Switzerland, Luxembourg and Singapore, and nascent private banking operations in other countries. Our private banking business is among the top 10 in the world. Asset Management offers mutual funds, segregated accounts and trust services to individual and institutional investors, private banking clients and financial institutions. Asset Management enjoys a strong position in Europe, the US and Latin America and is growing fast in Asia.

Assets under Management went up by 34% to EUR 172 billion, compared with EUR 128 billion at year-end 2000. The increase can mainly be attributed to the acquisition of Alleghany Asset Management, which was consolidated as of February 2001. Assets under Administration remained more or less stable at EUR 105 billion, against EUR 107 billion.

Strategy

Our aim is to take full advantage, through private banking and asset management, of the expected strong increase in demand for individual wealth creation services, notably in Europe. PCAM will support C&CC, in implementing ABN AMRO's asset gathering strategy.

Private Clients

We offer our wealthy clients a complete package of private banking products and services specifically tailored to their individual needs. Although the primary focus is on individuals and families with investible assets of at least EUR 1 million, other groups may be attractive for their potential asset accumulation. In our selected markets we aim for a leading private banking position.

“One of our main goals is to inspire our people to create an atmosphere of excellence and pride to do the best for our clients.”

Dolf Collee, member of the Managing Board and Chairman of PCAM.

Results

Despite weak markets, revenues were down only 2.2% at EUR 1,419 million compared with 2000. Operating expenses rose 14.5% to EUR 1,136 million, and pre-tax profit fell by 41% to EUR 270 million. Within Private Clients, the increase in operating expenses was mainly driven by build-up costs as part of the restructuring, increased staff costs mainly related to the enforcement of the 35-hour workweek in France, and costs incurred to bolster our presence in key European markets. Within Asset Management, the increase in operating expenses was mainly caused by the inclusion of Alleghany Asset Management and build-up costs related to the restructuring. The number of staff (FTEs) within PCAM increased by 11.5% to 5,879.

Value creation for our clients is the guiding principle in our product and services offering. With this in mind, we introduced an 'open architecture' to international private banking operations in 2001, under which the asset management products we offer to wealthy clients are no longer limited to ABN AMRO products alone.

The main need in 2001 was to align ABN AMRO's private banking services with the increased clients' need for tailored solutions. We therefore looked hard at our country organisations and service concept. As a result, ABN AMRO improved the operations of the client and product segmentation in France and the Netherlands and in our international private banking operations. We

also strengthened cooperation between Private Clients and C&CC. This allows us to respond more effectively to clients' need for advice and to make more efficient use of our retail banking network when arranging our private clients' day-to-day banking business. This has also simplified the movement of clients from C&CC to Private Clients.

Asset Management

Asset Management focuses on a first-class product offering, supported by excellent investment professionals, a sound and consistent investment process, and a solid operations infrastructure. We offer our asset management products through the various distribution channels and through third parties, such as asset consultants. Major institutional clients are served directly by our investment professionals. The aim is to win a leading international position as an active asset manager.

In 2001 Asset Management took further steps towards strengthening cooperation with the

Snapshot of the year

- Efficiency programme launched and duplication of support services tackled
- Introduction of a new service concept for private banking in the Netherlands
- Assets managed by Banque NSMD increased by EUR 3 billion, despite weak stock market conditions
- International private banking operations reorganised along market instead of geographical lines
- Organic growth in assets under management, despite the poor performance of equity markets during the year
- Acquisition of Alleghany Asset Management
- Launch of model funds in the Netherlands, geared to clients' risk profile.

bank's client units. Asset Management will increasingly focus on product development. An Alternative Investments Group was set up to broaden our range of equity and fixed-

Gathering assets for the future

Individuals all over the world, particularly but not exclusively in industrial countries, are accumulating personal wealth. Financial assets – stocks and bonds, mutual funds, life insurance policies and so on – are an important part of these portfolios.

However, now that people in Europe are living longer and public provision of services such as health and pensions is coming under increasing pressure, individuals are likely to become more and more dependent on their own financial resources. The returns investors receive on their assets (capital gains and income) will therefore become increasingly important.

Asset gathering simply means attracting the savings of clients and managing them competitively to provide the capital growth and income which clients need. This activity presents huge opportunities. ABN AMRO aims to strengthen its position as one of the leading players in this field. Supported by our international network, we will offer our clients asset management products with above-average returns, tailored solutions and a first-class service.

Selected information

(in millions)

	2001	2000
Net interest revenue	330	393
Net commissions	983	920
Results from financial transactions	43	23
Other revenue	63	115
Total revenue	1,419	1,451
Operating expenses	1,136	992
Provision for loan losses	13	1
Pre-tax profit	270	458
Total assets	16,653	15,887
Risk-weighted assets	6,529	5,942
Full-time equivalent staff	5,879	5,275
Number of branches and offices	38	35

Looking ahead

Organic growth of our private banking business will be aided by tailoring services to meet the specific needs of the selected client segments. In addition, we will continue to look for opportunities to reinforce our market position through acquisitions and/or joint ventures in Europe. When combined with keener attention to cost efficiency, higher profits will result. Asset Management will intensify product development. Together with a tighter focus on clients, more efficient use of distribution channels and improved cost control, this will lead to improved results.

income products. This specialist group will offer funds of funds and funds of hedge funds. Asset Management will also broaden the range of third-party products on offer and further expand services to institutional investors.

Building up Asset Management

On 1 February 2001, we completed the acquisition of Alleghany Asset Management, a leading US fund manager. Since then, we have taken key steps towards successfully integrating the business with ABN AMRO's other asset management activities in a way which allows us to leverage the cross-selling opportunities between Alleghany and the existing worldwide network of ABN AMRO Asset Management.

We service our North American customers through two operations. One, based in Chicago, is the result of the integration of the

former ABN AMRO Asset Management USA and Chicago Capital Management. The other, Montag & Caldwell, is based in Atlanta, Georgia. We anticipate considerable synergy benefits from the coordinated approach to our marketing activities through the ABN AMRO Asset Management network.

Asset Management significantly strengthened its global operations by acquiring Alleghany. We are also looking into consolidating its base in Europe, where a fragmented market offers attractive opportunities for future growth.

16.7
6.5

(in millions of euros and %)

	2007	2006	2005
Operating income	1,500	330	303
Operating expenses	6.8	983	920
Operating profit	67.0	43	23
Operating profit margin	4.5%	63	115
Operating profit margin	12.2	1,418	1,451
Operating profit margin	14.5	1,136	992
Operating profit margin	128.5	283	450
Operating profit margin		13	1

5,858

(in billions of euros)

100
200
16
10
305
65
10
(5)

management will be managed
on the basis of your financial objectives
and are based on an
agreed high profile

if you feel comfortable with
your sincerely
D.N. Privat

Selected information

(in millions)

	2001	2000
Net interest revenue	243	212
Net commissions	177	153
Other revenue	350	263
Total revenue	770	628
Operating expenses	521	426
Provision for loan losses	22	53
Pre-tax profit	227	149
Total assets	10,491	9,384
Risk weighted assets	10,016	9,102
Vehicles under management ¹	1,107	1,221
Full-time equivalent staff	7,306	7,070
Number of branches and offices	102	47
Ratios (in percentages)		
Efficiency ratio	67.7	67.8
Return on equity	25.3	22.1
Tier 1 ratio	7.8	7.4
Total capital ratio	10.2	10.0

¹ This number does not include the QEK vehicle fleet, while the fleet for which services are provided by the former CSC is included partly. The reason is that, due to the nature of the services, the figures fluctuate strongly. At year-end 2001 this involved an average of approximately 200,000 vehicles.

Consolidated Service Corporation, which was acquired in December 2000, did not yet make a substantial contribution to the results. QEK Global Solutions reported disappointing results, mainly due to the less favourable market conditions in the United Kingdom.

By the end of 2001 it was decided to fully integrate the activities of LeasePlan Nederland, Auto Lease Holland and Leaseconcept over a period of two years. The new combination will trade under the brand name of LeasePlan. This large-scale operation will be carried out carefully, with due regard to the interests of customers. Through this merger of activities AALH expects to realise efficiency improvements and to approach the mature Dutch market more effectively.

More detailed information is available in the annual report of ABN AMRO Lease Holding. www.aalh.nl

ABN AMRO Lease Holding

ABN AMRO Lease Holding (AALH) reported a net profit of EUR 166 million for 2001, an increase of 52.3% compared to 2000. The contracted lease portfolio grew by 11% to EUR 9.5 billion. Total revenues rose by 22.6% to EUR 770 million, while expenses went up by 22.3% to EUR 521 million, including EUR 16 million of non-recurring costs related to the integration of various AALH entities. Pre-tax profit rose from EUR 149 million in 2000 to EUR 227 million in 2001, an increase of 52.3%. Consolidated total assets amounted to EUR 10.5 billion at end 2001.

The integration of the 2000 acquisitions was completed successfully in 2001. The Dial Group has been integrated into the LeasePlan organisation in Spain, Italy, Great Britain and France. In line with expectations, the US-based

Corporate Centre

The Corporate Centre delivers and supports necessary common services across the ABN AMRO Group. The centre has three basic functions: governance, which is facilitating the implementation of Managing Board policy throughout the bank; standard and policy setting, which is the definition of the parameters within which the BUs work; and, to a limited extent, providing shared services, such as legal advice, to operational units on a contractual basis. The common thread running through these functions is the application of Managing for Value (MfV) throughout ABN AMRO.

Strategy

A vital aspect of the reorganisation of the bank was to allow SBUs considerable autonomy so that they can be more responsive to client needs and changing markets. As a result, the role of the Managing Board is more strategic than directive.

The autonomy of the SBUs implies an authoritative but compact Corporate Centre, focused on governance and standard and policy setting rather than operations.

Risk management – a vital central function – illustrates how the Corporate Centre works. At the governance level, the bank is organised so that risk awareness and risk management are permanent features. At the standard and policy setting level, a Risk Charter sets out tools for BUs to assess risk. And at the shared services level, substantial risks which a BU is considering taking on have to be agreed centrally.

Looking ahead

The Corporate Centre will remain vigilant on containing costs and creating added value. As MfV becomes more firmly embedded in the bank, we will absorb the lessons and help in fine-tuning its application, incorporating the Business Principles. Continuing thorough management of risks and provisioning against

bad debt is indispensable to ABN AMRO's AA credit rating, which sets it apart from many other banks.

“We focus on the highest-yielding business.”

Tom de Swaan, member of the Managing Board and Chief Financial Officer.

Corporate Centre group functions

- Corporate Development: advising the Managing Board on strategy, management of the portfolio of Group businesses and mergers and acquisitions
- Corporate Communications: external and internal communications, enhancing the bank's reputation, Investor Relations
- Group Audit: independent audits to assess risks and advise on mitigating risks
- Group Finance: manages the overall financial position; reports to regulators and shareholders
- Group Risk Management: leads the Group Risk Committee; sets Group policy on risk management
- Group Operations: ICT standard & policy setting, Group organisation and information management
- Group Human Resources: policy setting, top executive reward, learning and development, MfV change management
- Group Legal & Compliance: legal, compliance and European Union Liaison Office
- Economics Department: research and forecasting

Regulatory capital

Group capital at year-end 2001 was EUR 34,007 million, an increase of EUR 1,473 million or 4.5%.

Shareholders' equity

The EUR 736 million decrease is mainly due to a charge for goodwill and translation change on investments in operations abroad offset by retained net profits. The purchase of Michigan National Corporation, Alleghany Asset Management and ING Barings, among others, resulted in a EUR 3,186 million of goodwill. The BRL depreciation offset USD appreciation resulting in a net EUR 150 million translation loss on investments abroad. It is estimated that following distribution of the final 2001 dividend the full year addition to the general reserve from net profit will equal EUR 2,642 million. After the 2001 interim dividend was declared, 55% of shareholders chose the stock dividend, leading to 19.6 million shares being issued at EUR 19.35 each.

The number of ordinary shares issued and outstanding increased by 40 million and 35.2 million, respectively, of which 39.1 million were related to stock dividends. In 2001 6.8 million shares were repurchased at an average price of EUR 20.97. Staff options exercised resulted in the new issuance of 0.5 million shares at an average price of EUR 15.44, while 2 million shares were issued from repurchased shares at an average price of EUR 11.03. Lastly 0.1 million preference shares were converted into 0.4 million ordinary shares for an extra payment of EUR 3.176.

Minority interests

The decrease of EUR 731 million was caused by the exclusion of preferred shares issued by European American Bank, following its sale, the redemption of preferred shares issued by ABN AMRO North America and the 8% increase in our ownership of ABN AMRO France S.A.

Fund for general banking risks

Consolidation adjustments and a translation adjustment offset by the deconsolidating effect from the sale of European American Bank explain the EUR 62 million increase.

Subordinated debt

Subordinated capital increased by EUR 2,878 million to EUR 16,283 million. Issuances, net of EUR 1,615 million in redemptions, totalled EUR 2,433. Higher currency exchange rates pushed subordinated debt up by EUR 308 million.

Required capital and ratios

ABN AMRO applies capital adequacy ratios based on the Bank for International Settlements' (BIS) guidelines. These ratios compare our bank's capital with its assets and off-balance sheet exposure weighted according to relative risk. Capital is also set aside for market risk associated with our bank's trading activities. The minimum tier 1 ratio is 4% and the minimum total capital ratio is 8%. ABN AMRO comfortably meets these standards with a tier 1 ratio of 7.03% and a BIS total capital ratio of 10.91%.

The total capital base increased by 8.7% in 2001. Risk-weighted assets amounted to EUR 273.4 billion at year-end 2001, an increase of 3.6% from the end of the previous year. Securitisation programmes in 2001 totalled EUR 18.5 billion.

Risk management

Risk management framework

Comprehensive risk management is a core competency for ABN AMRO – be it credit, market, country or operational risk. ABN AMRO takes a prudent and conservative approach to risk, underpinning it with strong professionalism and a risk function independent from the commercial lines of business.

The risk framework of a centralised policy setting with broad oversight, supported by risk execution and monitoring in the network, provides management with the ability to effectively oversee the bank's large and highly diversified portfolio.

ABN AMRO's risk management systems are designed to identify and analyse risks at an early stage, to set and monitor prudent limits, and continuously to learn and evolve to face a volatile and rapidly changing environment. In this way, ABN AMRO risk management adds value for the bank's shareholders.

Organisation structure

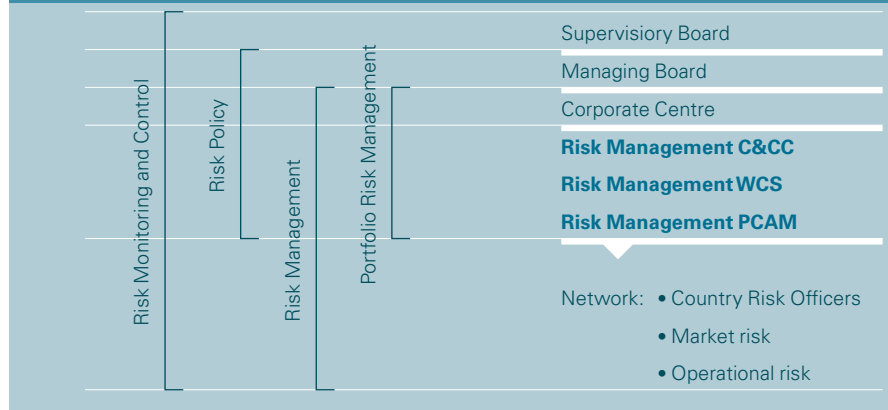
The Supervisory Board and members of the Managing Board oversee and review strategic risk management. Group Risk Management (GRM) within the Corporate Centre (CC) is responsible for the implementation of risk strategy across the bank and is headed by the Chief Financial Officer, who is a member of the Managing Board.

The Group Risk Committee (GRC), whose members come from GRM and the relevant business lines, takes decisions by consensus.

GRM's main responsibilities are to:

- Set risk appetite that is consistent with the bank's overall business aims and desired risk profile;
- Approve risk policies, procedures and methodologies for measuring and monitoring risk;
- Sets standards to manage the portfolio of risks throughout the bank;

Organisational structure



- Approve credit and market risks attached to new products;
- Delegate credit authority to the SBUs;
- Approve transactions that exceed the authority delegated to the SBUs.

Country and market risks remain the ultimate responsibility of GRM. The Group Asset & Liability Committee sets the high level value-at-risk (VaR) for product lines globally. Consumer Risk Management, which is also in CC, coordinates and approves all programme lending worldwide to ensure consistency with ABN AMRO's policies.

The SBUs' main delegated credit risk responsibilities include:

- Approving credit and market risk transactions within delegated limits;
- Monitoring ABN AMRO's exposure to sectors;
- Ensuring compliance with ABN AMRO's Business Principles and GRC's credit policies;
- Reviewing credits with a minimum of once a year for investment grade risk, more frequently for non-investment grade.

WCS' risk function is organised globally. Country Risk Officers support centralised committees in Amsterdam which mirror the

WCS client BUs. The Country Risk Officers, reporting to WCS in Amsterdam, advise on credits above their local authority and handle local credit, market and regulatory issues. Market risk is a separate risk function within WCS and is organised along product lines. GRC is responsible for market risks and new product approvals beyond the delegated authority.

Within C&CC, risk is handled geographically through committees chaired by the Chief Risk Officer in ABN AMRO's home markets of the US Midwest, the Netherlands and Brazil. C&CC Risk is responsible for all credit, market, and regulatory matters in its home markets. PCAM has a separate risk committee for its private client business but mainly follows the other SBUs' system of credit control.

Basel framework and status

In January 2001, the Basel Committee on Banking Supervision published its second Consultative Document reviewing the Basel Accord of 1988. The European Commission also published its views on the Accord. ABN AMRO is closely involved with, and committed to, this international consultation.

We support the increased risk sensitive nature of the proposed New Capital Accord or Basel II. The resulting regulatory framework will become much more detailed and complex, with associated costs to the industry. A balance will therefore need to be found between appropriate risk sensitivity and the regulatory burden. The open consultation process encourages our expectation that such a balance will be found.

Although the capital adequacy proposals of the Basel Committee are not final yet, it is clear that implementation will require significant effort. ABN AMRO has established a project organisation to prepare for the implementation of the coming capital adequacy regulations on an Internal Rating Based basis. ABN AMRO

welcomes the fact that the Basel Committee has set up an Accord Implementation Group, because many practical implementation issues will probably not be resolved in the final recommendations of the Basel Committee. However, these issues can have a substantial impact on the actual implementation of the proposals by banks and on the maintenance of a level-playing field within the financial industry.

Credit risk

Main principles and credit processes

- All commercial activities which commit the bank to deliver risk sensitive products require prior approval by authorised individuals or committees;
- Approval authorities are delegated by the Managing Board to the Corporate Centre and further down to the SBUs;
- Decision authority is based on Global One Obligor Exposure (GOOE) – i.e. all direct and contingent credit limits to a given counterparty globally – and a Uniform Credit Rating system (UCR), the risk rating of the obligor; such approval authorities also depend upon acceptable risk monitoring, reporting and control being maintained;
- BUs are independent and responsible for managing all business activities within the approved limits.

Risk management tools

Credit Rating System

ABN AMRO has developed the UCR system as an important pillar of both its credit decision and portfolio management processes. Through the credit process, UCR ratings are assigned to all counterparties and must be duly approved later by the appropriate authority level. The importance of the UCR is:

- Defining the appropriate credit authority for approvals on a risk-based matrix and setting the frequency of reviews;
- Identifying general trends regarding the quality of the bank's credit portfolio and establishing portfolio limits;

- Making key inputs into the Risk Adjusted Return on Capital (RAROC) and expected loss calculations under the WCS Loan Pricing Tool.

ABN AMRO has developed a rating tool (LA Encore), of which the primary purpose is to assign a UCR. In WCS the use of LA Encore is well established and a tailored version is being rolled out for middle market clients in C&CC.

RAROC and Loan Pricing Tool

To enhance its credit portfolio management capabilities, ABN AMRO has internally developed a multi-factor RAROC model. The tailoring of this model is an ongoing process into which more business units will be incorporated gradually. CC and WCS have jointly developed a Loan Pricing Tool aligned with the bank's internal RAROC model to evaluate all large transactions within the WCS portfolios. Transactions are evaluated on the basis of return on economic capital and the expected loss. The UCR, tenor, collateral, loan amount and country are essential drivers of the Loan Pricing Tool. C&CC has a customer profitability model in the US, and a Loan

Pricing Tool is being developed for the Netherlands.

ABN AMRO Loan Portfolio and Composition

Total loans increased modestly compared with previous years. ABN AMRO is focusing on profitability and efficiency, rather than absolute growth of revenues through increases in loan volume. C&CC is the largest SBU, comprising 66% of total loans outstanding, with WCS second, at 26%.

Geographically, the Netherlands remains the most important franchise, encompassing 49% of total loans outstanding, followed by North America with 30%, and Brazil with 2%. This reflects ABN AMRO's strategy of divesting operations in non-core countries to focus on its home markets.

Consumer & Commercial Clients

The Netherlands represents 57% of total C&CC loans outstanding, followed by North America at 36%, and Brazil at 3%. The consumer business (for example mortgages, car financing and personal loans) represents 58% of total loans, and

Rating reference

UCR	Description	S&P	Moody's
1	Investment grade	AAA/AA-	Aaa/Aa3
2+		A+	A1
2		A	A2
2-		A-	A3
3+		BBB+	Baa1
3		BBB	Baa2
3-		BBB-	Baa3
4+	Below investment grade	BB+	Ba1
4		BB	Ba2
4-		BB-	Ba3
5+		B+	B1
5		B	B2
5-		B-	B3

Total net loans with 2001 SBU breakdown

(in billions)

	Total 2001	C&CC	WCS	PCAM/CC/ AALH	2000	1999
Public sector	14.1	1.4	11.2	1.5	15.0	12.0
Private sector	260.2	180.9	60.7	18.6	245.5	207.0
Total net loans *	274.3	182.3	71.9	20.1	260.5	219.0

(* excludes professional securities transactions)

C&CC – Total private loans for 2001

(in billions)

	Total 2001	North America	Netherlands	Brazil	Rest of the world
Commercial	75.4	40.2	28.8	1.9	4.5
Consumer	105.5	25.4	73.9	3.6	2.6
Total private loans	180.9	65.6	102.7	5.5	7.1

commercial loans to middle-market companies account for 42%.

In the Netherlands, mortgage lending is a significant component of the consumer portfolio, at EUR 46.6 billion for on-balance sheet loans and EUR 4.7 billion for securitised mortgages. Bouwfonds also has a large mortgage portfolio of EUR 15.0 billion.

In North America, commercial business represents 61% of the on-balance sheet portfolio and illustrates LaSalle's strong market leadership, a position strengthened by the acquisition of Michigan National Corporation. Through Standard Federal, mortgage origination in the US is increasingly securitising its assets, while retaining the more profitable servicing rights. Approximately, EUR 142 billion in off-balance sheet first mortgages are currently being serviced as of 31 December 2001.

Brazil is mainly a consumer franchise, as consumer products account for roughly 65% of the portfolio, with commercial at 35%.

Wholesale Clients

WCS' client base is predominantly in OECD countries. The most important geographical concentrations are Europe at 49%, and North America at 30%, based on total limits (GOOE) as of 31 December 2001.

In terms of client BUs, including both commercial and finance segments, FIPS is the largest at 55% of the portfolio, based on GOOE, followed by ACD at 23%, ECH at 13%, and TMT at 9%. Taking the commercial portfolio, the largest single industry is Utilities at 10.5%, followed by Oil and Gas at 9.3%, and Manufacturing at 8.6%.

Despite the difficult economic conditions, the overall credit quality of the bank's portfolio continues to be strong, with a weighted average UCR equivalent to a 'BBB'. While signs of deterioration emerged in 2001, Risk Management took immediate action in February to impose tighter caps on non-investment grade counterparties, to closely monitor certain industries, and to reduce the credit appetite for riskier transactions.

Specific provisioning per SBU

(in millions)

	Total 2001	C&CC	WCS	PCAM/CC/ AALH	2000
Total for loan losses	1,342	802	514	26	814
Sovereign risk	84	0	29	55	(197)
Total specific provisioning	1,426	802	543	81	617
Specific provisioning to avg RWA (bps)	51	51	59	28	23

Non-performing loans

	2001	2000	1999
Total non-performing loans (in millions)	5,858	5,122	4,791
Non-performing loans to private sector loans (gross, in percentages)	2.21	2.05	2.26
Specific allowances for loan losses to private sector loans (gross, in percentages)	1.70	1.68	2.11

Provisioning and non-performing loans

Provisioning policy

ABN AMRO has developed specific provisioning policies for its different classes of business. We keep these policies under constant review and adjust them to reflect ABN AMRO's loss experience, developments in credit risk modelling techniques, and changes in legislation.

Our credit officers continually monitor the quality of the bank's loan portfolios. A provision is made if deterioration of either the quality of a loan or the financial strength of a borrower gives rise to doubts about repayment.

Provisioning for consumer loans is on a portfolio basis, with specific allowances maintained at a level commensurate with the portfolio size and loss experience.

Consumer & Commercial Clients

C&CC's total provisioning in 2001 was EUR 802 million, of which 45% relates to consumer loans and the balance to commercial loans.

BU Netherlands recorded total provisioning of EUR 108 million. This higher provisioning was partially due to difficulties in the cattle fattening and abattoir industries brought about by the BSE and foot and mouth crises.

In the US, provisioning totalled EUR 442 million, of which a proportion was attributable to the leveraged finance unit. At the start of 2001, it was decided to end this business and consequently run down the portfolio. The commercial real estate and consumer portfolios remain resilient. EAB accounted for EUR 44 million of US provisioning before its sale.

In Brazil, provisioning of EUR 193 million was mostly driven by the consumer loan activities. Despite the economic conditions and turmoil in Argentina, our operations in Brazil successfully took early action to manage any possible contagion. The quality of its portfolio remains sound.

Cross-border exposures

(in billions)

Region	Cross-border exposure			Excl. mitigated exposure		
	2001	2000	1999	2001	2000	1999
Latin America	8.4	6.8	5.5	4.0	3.4	3.2
Asia/Pacific	6.8	7.4	7.1	5.0	4.1	5.3
Eastern Europe	2.9	3.3	3.3	2.0	2.3	2.1
Middle East and Africa	3.0	3.7	5.0	1.9	1.9	2.1
Total	21.1	21.2	20.9	12.9	11.7	12.7

Note: mitigated exposures commonly include transactions covered by credit derivative swaps, political risk insurance, cash deposits or securities placed off shore, specific guarantees or any other mitigation instruments available in the market.

Wholesale clients

The economic slowdown began to be felt in the course of 2001. Total provisioning in 2001 was EUR 543 million, caused by large provisioning in the media, manufacturing, telecommunications, airlines and energy sectors.

Additionally, while provisioning for country risk in 2000 was positively affected by a one-off release arising from a change in the bank's provisioning methodology, in 2001 the Argentine crisis had a negative impact on country risk provisioning in WCS and CC.

Nevertheless, ABN AMRO remains confident about the overall quality of its portfolio and its ability to maintain its strong credit profile.

Sovereign risk

ABN AMRO manages sovereign risk on a portfolio basis in respect of its exposures, both cross-border and sovereign, to non-OECD countries. The cross-border exposure measurement covers all on- and off-balance sheet assets that would be directly affected by transfer and convertibility restrictions. ABN AMRO has monitored cross-border exposure for many years by using a VaR model to determine the cross-border risk on the total portfolio.

Over the past year, we further improved our control over cross-border risk. We are including

all country risk elements in the bank's RAROC models and in the Loan Pricing Tool. An internal charging system is in place, ensuring that scarce cross-border resources are committed to the most profitable transactions.

The VaR model clearly captured the economic crisis in Turkey and Argentina's default. Directly after the 11 September attacks, the VaR model was used for stress testing the portfolio under different scenarios and to take appropriate action to manage exposure.

In absolute terms, cross-border exposure has remained stable over the past two years. But there was a shift in exposure allocation toward Latin America, mainly to Brazil given its strategic importance to the bank. On the other hand, exposure to Argentina has been reduced over the years. Moreover, 63% of this exposure is either short term, trade related or mitigated.

Market risk

Market risk is the risk that market variables will move and result in profits or losses on positions kept. Market risk arises from trading activities in order to facilitate client transactions and from trading for the bank's own account.

We manage market risk through risk limits such as VaR, interest rate sensitivity per basis

point, net open position, spread sensitivities, greeks (delta, gamma, vega, rho), stress tests, scenario analysis, position concentration and position ageing. Market risk limits are set for each location, for each trading portfolio, as well as at several key aggregation levels and are monitored on a daily basis.

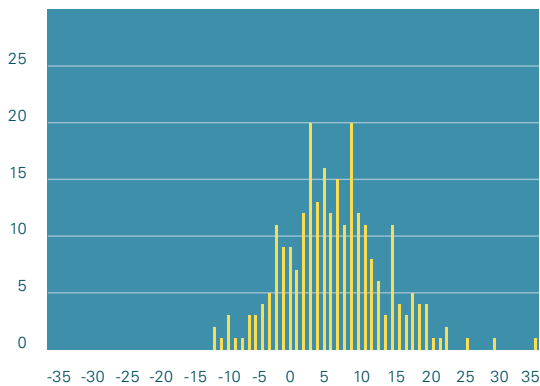
VaR for trading portfolios

99% confidence level, one-day holding period

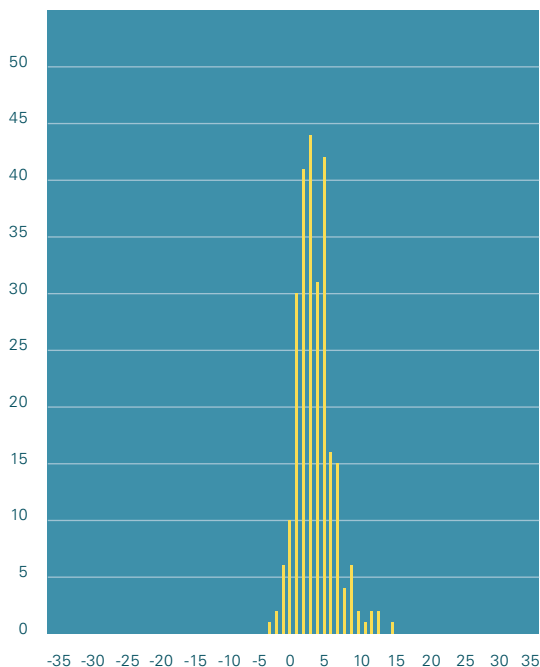
(in millions)

	31/12/2001	Minimum	Maximum	Average
Global Financial Markets	43	21	45	33
Global Equity Derivatives	6	3	24	10
Total trading	43	25	62	41

Graph 1 Distribution of daily revenue for GFM for 2001 (in millions)



Graph 2 Distribution of daily revenue for GED for 2001 (in millions)

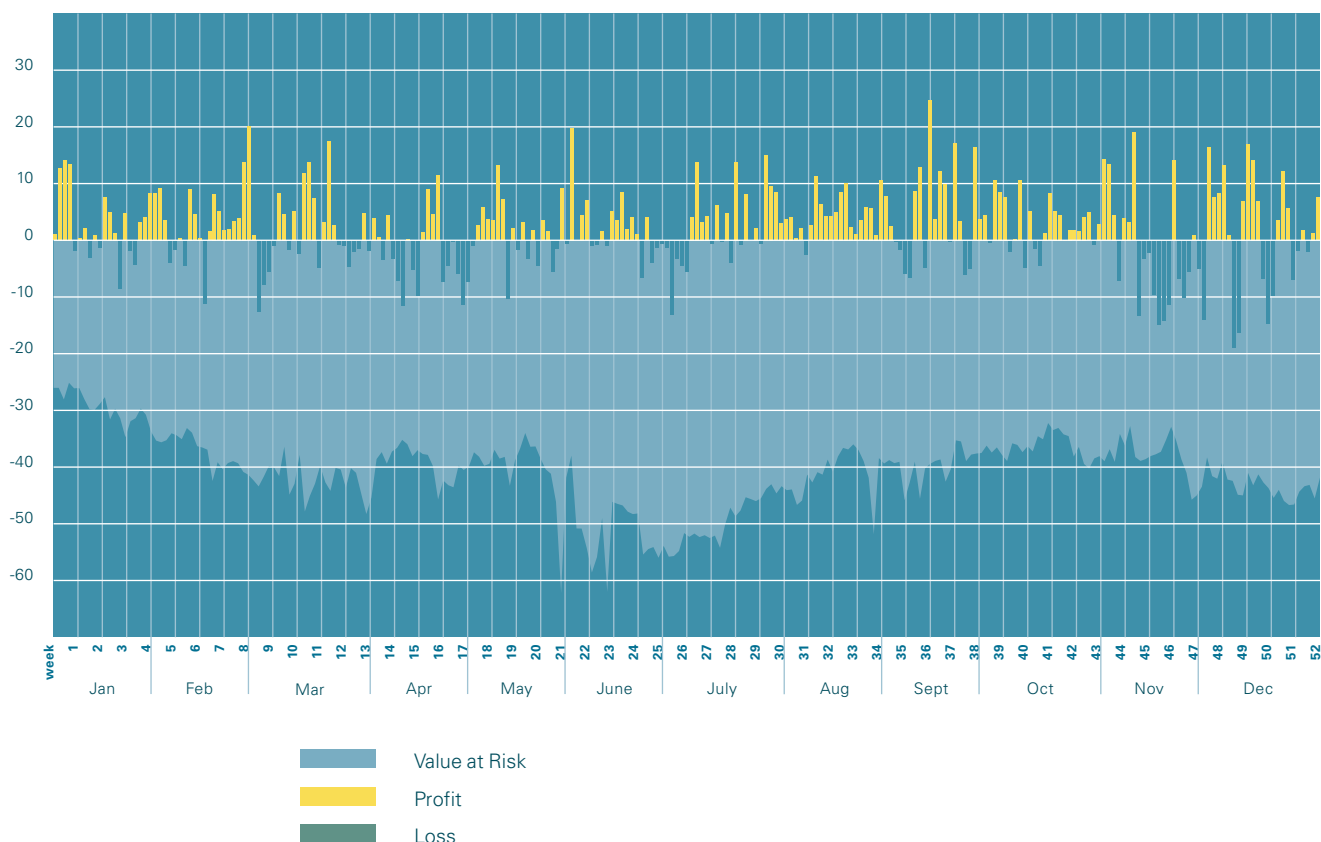


Internal models meet regulatory requirements and were approved by the Dutch central bank for the calculation of capital for market risk.

VaR is a primary tool for the management and day-to-day monitoring of trading-related market risk. VaR is a statistical measure of the potential losses that could occur due to movements in market rates and prices, over a specified time horizon within a given confidence level, if trading positions were held unchanged during the time horizon. The method adopted by ABN AMRO for the VaR calculation is historical simulation, based on four years of historical data. The bank uses a one-day holding period, relative changes of historical rates and prices, 99% confidence level and equally weighted simulations. The VaR is reported daily to the senior management of the business lines, the SBU risk function, GRM and the responsible members of the Managing Board.

The effectiveness of VaR is assessed by a technique known as back-testing, which counts the number of days when the losses are bigger than the estimated VaR figure. Theoretically, with a 99% confidence level, it may be expected that the profit and loss (P&L) will exceed the VaR figure one day out of every 100 trading days. The back-testing is performed both on the actual P&L and a hypothetical P&L (a P&L that is only due to movements in the market and excludes effects of commissions,

Graph 3 Value at Risk versus hypothetical Profit & Loss for trading portfolios for 2001 (in millions)



fees, origination profits, intra-day trading). The results of the back-testing on the actual and the hypothetical P&L are regularly reported to the Dutch central bank. The hypothetical back-testing is an essential instrument for the validation of our internal models.

The back-testing result (graph 3, above) shows that the VaR calculated for each individual day was not exceeded on a single day in 2001. Unusual events, for example August-October 1998, in the historical data, along with certain conservative assumptions made in the VaR aggregation of risk factors, have led to a relatively conservative VaR estimate.

The VaR measure is supplemented by the stress tests, which shed light on the behaviour of a portfolio under extreme market events. Although VaR is a good estimate under normal market circumstances, it fails to capture 'one-

off' events. Scenario analysis provides insight into the P&L fluctuations in unusual circumstances. A number of scenarios, like 'Black Monday', are run daily for each trading portfolio and at several aggregation levels, including bank-wide total.

The histograms show the distributions of daily revenues in 2001 from the trading and non-trading activities (including commissions, fees, origination profits) for each BU: GFM (Global Financial Markets) (graph 1) and GED (Global Equity Derivatives) (graph 2, both on page 43). Overall, a distribution around a positive average is visible, especially for GED where commissions are an important source of revenue.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes,

human behaviour and systems or from external events. This definition captures operational events such as IT systems problems, shortcomings in the organisational structure or internal controls, human resources risks, fraud and external threats.

Given the importance of these issues, Operational Risk Management was established in 2000 to focus on managing operational risk in an explicit manner, similar to credit and market risk. Many initiatives are ongoing to meet the regulatory criteria of the Capital Framework (Basel II) and requirements of the Dutch central bank.

Management of operational risks

ABN AMRO has a Group Operational Risk Policy and a Risk Framework, which outlines tasks and responsibilities at each organisational level. The guiding principle in this respect is that line management at all levels is responsible for directing and controlling operational risks.

Information is required that enables operational risks to be assessed, the effectiveness of mitigating measures to be determined and potential problem areas to be identified. For this reason, a number of tools have been developed, which are in various stages of implementation. They include:

- *Risk Self Assessment*

A methodology to identify and assess risks, and improve controls;

- *Corporate Loss Database*

An important tool to create awareness of the nature of operational losses and the actions needed to mitigate them. This database will meet the proposed regulatory requirements;

- *Approval process for operational, legal and reputational risks*

A comprehensive approval process to include an explicit qualitative and quantitative assessment of the operational, legal and reputational risks, including sign-off by all relevant parties.

An internal methodology for allocating capital for Operational Risks was implemented in 2001, under the supervision of the Group Operational Risk Management committee chaired by the CFO. More advanced approaches along the lines of the regulatory proposals are being studied and ABN AMRO intends to stay abreast of industry developments.





Shareholder information

ABN AMRO from 1992

(in euros)

	2001	2001 (USD) ⁵	2000	1999
Income statement <i>(in millions)</i>				
Net interest revenue	10,090	8,991	9,404	8,687
Total non-interest revenue	8,744	7,792	9,065	6,840
Total revenue	18,834	16,783	18,469	15,527
Operating expenses	13,771	12,272	13,202	10,609
Provision for loan losses	1,426	1,271	617	653
Fund for general banking risks			(32)	(20)
Pre-tax profit	3,613	3,220	4,725	4,250
Group profit	2,615	2,330	3,401	2,930
Net profit	3,230	2,878	2,498	2,570
Net profit attributable to ordinary shareholders	3,184	2,837	2,419	2,490
Dividends	1,420	1,265	1,424	1,250
Balance sheet <i>(in billions)</i>				
Shareholders' equity	11.8	10.4	12.5	12.0
Group capital	34.0	30.0	32.5	28.9
Total client accounts and debt securities	384.9	339.6	339.8	284.2
Loans	345.3	304.6	319.3	259.7
Total assets	597.4	527.0	543.2	457.9
Contingent liabilities and committed facilities	193.4	170.6	187.5	159.0
Risk-weighted total assets	273.4	241.2	263.9	246.4
Ordinary share figures ¹				
Number of shares outstanding <i>(in millions)</i>	1,535.5		1,500.4	1,465.5
Average number of shares outstanding <i>(in millions)</i>	1,515.2		1,482.6	1,451.6
Net earnings per share <i>(in euros)</i> 2, 6	1.53	1.36	2.04	1.72
Fully diluted net earnings per share <i>(in euros)</i> 2, 6	1.52	1.35	2.02	1.71
Dividend per share <i>(in euros, rounded)</i> 3	0.90	0.80	0.90	0.80
Payout ratio <i>(dividend/net profit)</i>	42.9		55.2	46.5
Net asset value per share <i>(year-end, in euros)</i> 3, 4	7.13	6.29	7.78	7.59
Ratios <i>(in %)</i>				
Return on equity	20.5		26.5	23.7
BIS tier 1 ratio 4	7.03		7.20	7.20
BIS total capital ratio 4	10.91		10.39	10.86
Efficiency ratio	73.1		71.5	68.3
Number of employees <i>(headcount)</i>				
Netherlands	36,984		38,958	37,138
Other countries	74,726		76,140	72,800
Number of branches and offices				
Netherlands	703		885	921
Other countries	2,775		2,709	2,668
Number of countries and territories where present				
	67		74	76

Prior-year figures have been restated for comparison purposes.

¹ Adjusted for shares repurchased to cover staff options granted.

² Based on the average number of ordinary shares outstanding and adjusted for increases in share capital.

³ Where necessary, adjusted for increases in share capital.

⁴ Including reclassification of the provision for general contingencies at 1 January 1997.

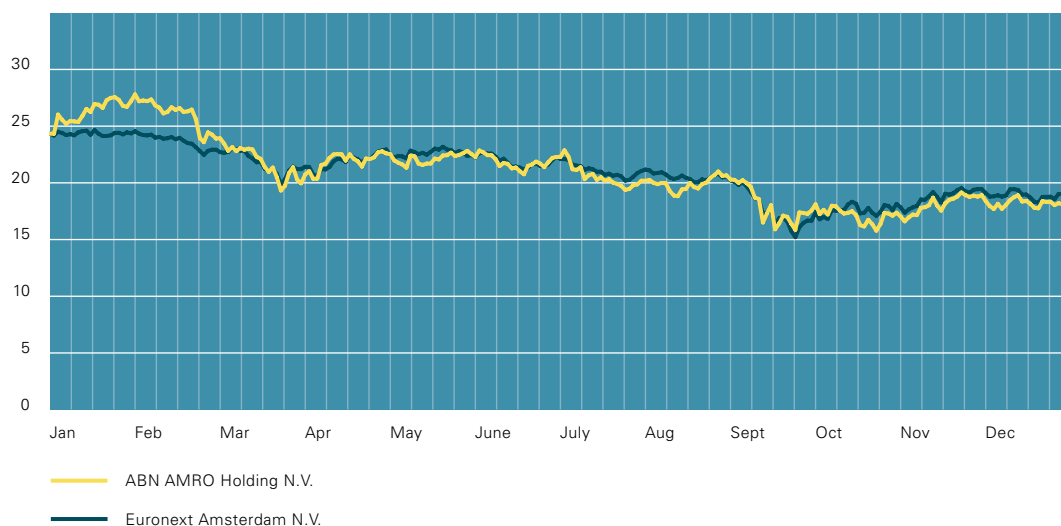
⁵ Income statement figures have been translated at the average dollar rate and balance sheet figures at the year-end dollar rate.

⁶ 2001: including sale of EAB and restructuring charge, net earnings per share amounted to EUR 2.10 and fully diluted net earnings per share amounted to EUR 2.09.

1998	1997	1996	1995	1994	1993	1992
7,198	6,294	5,230	4,646	4,442	4,013	3,726
5,340	4,491	3,433	2,708	2,353	2,405	1,932
12,538	10,785	8,663	7,354	6,795	6,418	5,658
8,704	7,450	5,867	4,962	4,595	4,256	3,797
941	547	569	328	681	681	635
(101)	179	66	308			
2,897	2,626	2,175	1,743	1,526	1,437	1,164
1,989	1,872	1,563	1,233	1,081	955	780
1,828	1,748	1,499	1,187	1,037	918	764
1,747	1,666	1,414	1,075	925	835	686
906	844	733	623	550	486	439
10.7	11.7	11.3	9.2	8.8	8.7	7.3
24.4	24.1	20.1	15.2	14.2	13.8	12.3
243.5	221.1	159.3	147.3	138.5	136.3	128.2
220.5	201.1	150.5	132.8	122.8	121.7	110.7
432.1	379.5	272.0	248.0	229.0	222.8	203.5
124.0	102.8	80.9	63.8	51.0	45.3	44.1
215.8	208.7	176.7	149.6	136.9	130.5	128.1
1,438.1	1,405.6	1,364.5	1,255.6	1,213.3	1,173.7	1,111.0
1,422.1	1,388.7	1,346.3	1,232.5	1,193.3	1,141.3	1,081.3
1.23	1.20	1.05	0.87	0.78	0.73	0.63
1.22	1.19	1.03	0.83	0.74	0.71	0.62
0.58	0.54	0.48	0.41	0.36	0.34	0.33
46.9	45.5	45.5	46.9	46.9	47.4	51.9
6.85	7.71	7.62	6.21	6.08	6.21	5.80
16.9	15.7	16.4	13.9	12.4	12.0	11.1
6.94	6.96	7.21	6.51	6.74	6.85	5.91
10.48	10.65	10.89	10.80	11.02	11.20	9.88
69.4	69.1	67.7	67.5	67.6	66.3	67.1
36,716	34,071	32,531	34,587	35,677	37,393	37,883
71,014	42,678	33,641	29,107	26,504	23,058	21,756
943	967	1,011	1,050	1,102	1,330	1,429
2,640	921	706	620	601	503	523
74	71	70	67	64	60	57

ABN AMRO shares

Share price movements January 2001 - December 2001 (in euros)
(AEX index restated on the basis of ABN AMRO Holding N.V. ordinary share price on 2 January 2001)



Stock exchange listings

The ordinary shares of ABN AMRO Holding N.V. are listed on the stock exchanges of Amsterdam, Brussels, Düsseldorf, Frankfurt, Hamburg, London, New York, Paris, Singapore and the Swiss Exchange. The shares are available in the form of American Depositary Receipts (ADRs), each ADR representing one ordinary share. On 31 December 2001, 48,383,150 ADRs were outstanding, compared to 26,703,377 at year-end 2000.

The depositary receipts for preference shares and the convertible preference shares are listed on Euronext Amsterdam.

Development of share capital

In 2001, the number of ordinary shares outstanding increased by 35.2 million from 1,500.3 million to 1,535.5 million. This increase was the result of dividend payments in stock (39.1 million shares), the exercise of staff options (2.5 million shares), the conversion of convertible preference shares (0.4 million shares) and the repurchase of ordinary shares (– 6.8 million shares).

Rights at 31 December 2001

(in thousands of shares)

Year of expiration	Staff options	Average exercise price (in euros)
2002	6,033	16.60
2003	13,956	22.56
2004	10,628	20.77
2005	5,677	21.17
2006	0	0
2007	4,744	21.30
2008	9,620	22.74
	50,658	21.23

The time-weighted average number of shares outstanding amounted to 1,515.2 million (2000: 1,482.6 million). In calculating the time-weighted average, new shares are counted on a pro rata basis from the date of issue, except for ordinary shares issued through the conversion of convertible preference shares which are counted for the full year in which conversion takes place. As a result of this conversion, the number of convertible preference shares declined to 0.7 million. The number of preference shares remained unchanged at 362.5 million.

Staff options carry entitlement to the numbers of ordinary shares stated in the table on page 50.

If fully exercised, staff options could increase the number of ordinary shares by 50.7 million or 3.3% of the number of ordinary shares outstanding at 31 December 2001.

Depository receipts for preference shares and convertible preference shares

At year-end 2001, 362.5 million depository receipts for preference shares of EUR 2.24 face value each were outstanding. Holders of preference shares receive an annual cash dividend of EUR 0.12432 per share, representing 5.55% of the face value of EUR 2.24. In accordance with the articles of association of ABN AMRO Holding N.V. the dividend percentage on the preference shares and depository receipts for preference shares has been fixed at 5.55%, as of 1 January 2001. As of 1 January 2011, and every ten years thereafter, the dividend percentage will be adjusted in line with the average redemption yield on the five longest-dated Dutch government bonds, plus an increment of not less than 25 nor more than 100 basis points, depending on the prevailing market conditions.

On 31 December 2001, 0.7 million convertible preference shares of EUR 2.24 face value each were outstanding. These shares qualify for an annual cash dividend of EUR 1.71529, which represents 6% of the paid-up amount on issue (EUR 28.58815). As of 1 January 2004, and every ten years thereafter, the dividend percentage will be adjusted in line with the redemption yield on Dutch government bonds with an original or remaining term to maturity of nine to ten years, plus an increment or less a reduction of no more than 100 basis points. The convertible preference shares can be converted into four ordinary shares with a face value of EUR 0.56 each on payment of

Authorised capital

(in euros)

100	priority shares	of	EUR 2.24	224	
4,000,000,000	ordinary shares	of	EUR 0.56	2,240,000,000	
1,000,000,000	preference shares	of	EUR 2.24	2,240,000,000	
100,000,000	convertible preference shares	of	EUR 2.24	224,000,000	
				4,704,000,224	

Issued capital at 31 December 2001

(in euros)

1	priority share	of	EUR 2.24	2.24	
1,542,297,858	ordinary shares	of	EUR 0.56	863,686,800.48	
362,503,010	preference shares	of	EUR 2.24	812,006,742.40	
684,769	convertible preference shares	of	EUR 2.24	1,533,882.56	
				1,677,227,427.68	

Ordinary share key figures

(in euros)

	2001	2000	1999
Closing prices			
• high	27.80	29.30	25.00
• low	15.78	20.22	16.40
• year-end	18.09	24.22	24.80
Earnings per share ¹	1.53	2.04	1.72
Fully diluted earnings per share	1.52	2.02	1.71
Payout ratio in % ²	58.8	44.1	46.5
Dividend per share	0.90	0.90	0.80
Dividend yield in % (year-end)	5.0	3.7	3.2
Net asset value per share (year-end)	7.13	7.78	7.59
Price/earnings ratio (year-end)	11.8	11.9	14.4
Price/net asset value in %	253.7	311.3	326.7

¹ Based on the average number of ordinary shares outstanding and adjusted for increases in share capital (excluding restructuring charge and sale of EAB).

² Ratio of dividend to net earnings per share (excluding restructuring charge and sale of EAB).

*Dividends on ordinary shares**(in euros)*

		Entirely in cash	or	Cash	and shares as % of face value	(x 1,000)	New shares Payout ratio
	Interim dividend 1992	0.16		0.06	2% ordinary shares	21,668	
	Final dividend 1992	0.17		0.05	2% ordinary shares	22,364	51.9
	Interim dividend 1993	0.16		0.03	2% ordinary shares	22,940	
	Final dividend 1993	0.18		0.05	2% ordinary shares	23,499	47.3
	Interim dividend 1994	0.17		0.04	2% ordinary shares	13,316	
	Final dividend 1994	0.20			2.9% ordinary shares	23,961	46.9
	Interim dividend 1995	0.18			2.3% ordinary shares	11,074	
	Final dividend 1995	0.23			2.2% ordinary shares	10,453	46.8
	Interim dividend 1996	0.20			1.9% ordinary shares	8,968	
	Final dividend 1996	0.27			1.6% ordinary shares	14,697	45.4
	Interim dividend 1997	0.24			1.4% ordinary shares	11,882	
	Final dividend 1997	0.30			1.3% ordinary shares	13,058	45.5
	Interim dividend 1998	0.27			1.4% ordinary shares	13,451	
	Final dividend 1998	0.30			1.4% ordinary shares	14,045	46.9
	Interim dividend 1999	0.30			1.2% ordinary shares	8,339	
	Final dividend 1999	0.50			2.2% ordinary shares	13,990	46.5
	Interim dividend 2000	0.40			1.4% ordinary shares	14,293	
	Final dividend 2000	0.50			2.2% ordinary shares	19,508	55.2
	Interim dividend 2001	0.45			2.3% ordinary shares	19,554	

*Daily ordinary share
turnover in 2001**(in thousands and counted twice)*

	Euronext Amsterdam	NYSE (ADRs)
High	54,151	2,283
Low	1,574	21
Average	12,949	195

*Daily preference share turnover
on Euronext Amsterdam
in 2001**(in thousands and counted twice)*

	Depository receipts for preference shares	Convertible preference shares
High	10,109	25
Low	4	0
Average	152	1

EUR 3.17646 per share to be converted. The conversion period runs from 1 January 1994 through 31 October 2003.

**Geographical concentration of
ABN AMRO ordinary shares**

Foreign investors hold approximately 54% of ABN AMRO ordinary shares outstanding. The major geographical concentrations outside the Netherlands are the United Kingdom (approximately 15%) and North & South America (approximately 13%). Institutional investors hold approximately 79% of the total number of ordinary shares outstanding.

Major shareholders

The institutions listed in the table on page 54 reported the following holdings of ABN AMRO Holding N.V. shares under the Disclosure of Major Holdings in Listed Companies Act. The interests are shown as a percentage of the total number of ordinary shares and depository receipts for preference shares outstanding at year-end 2001.

Depository receipts for preference shares are issued by Stichting Administratiekantoor

ABN AMRO Holding. This foundation held 99.9% of the outstanding preference shares at year-end 2001.

Indices

The ABN AMRO Holding N.V. ordinary share is included in the following worldwide indices:

AEX	CBS Index
MSCI Banking Index	FTSE Euro Top 100
S&P Euro Index	FTSE Euro Top 300
DJ Euro Stoxx 50 Index	FTSE Euro Star Index
DJ Sustainability Index	FTSE4Good

Financial calendar 2002

29 April	Announcement of 2002 first quarter results
2 May	General Meeting of Shareholders
6 May	Ex-dividend quotation
6 May – 22 May	Period for instructions concerning 2001 final dividend payment option
23 May (after close of trading)	Determination of issue price, related to optional dividend
29 May	Final dividend for 2001 available
8 August	Announcement of 2002 second quarter results
4 November	Announcement of 2002 third quarter results

Financial calendar 2003

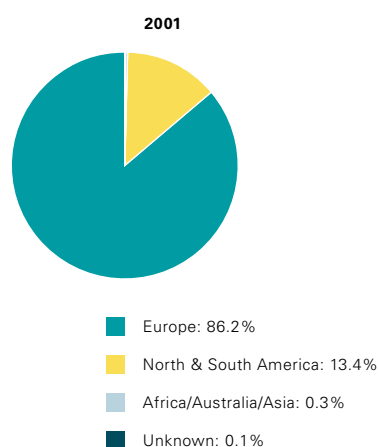
13 February	Announcement of 2002 full year results
31 March	Publication of Annual Report
28 April	Announcement of 2003 first quarter results
28 April	General Meeting of Shareholders
7 August	Announcement of 2003 second quarter results
31 October	Announcement of 2003 third quarter results

Market capitalisation

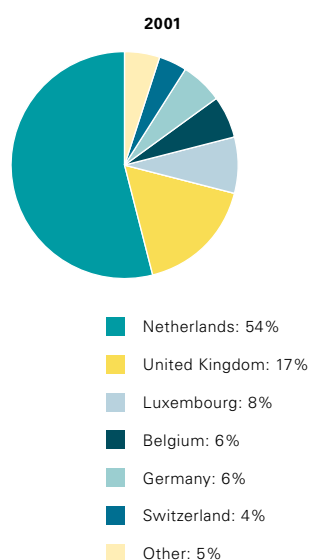
(year-end, in millions of euros)

	2001	2000	1999
Ordinary shares (outstanding)	27,778	36,339	36,345
Preference shares	794	787	877
Convertible preference shares	47	68	131
Market capitalisation as % of capitalised value of all listed Dutch ordinary shares	5.28%	5.55%	5.52%

Geographical concentration Worldwide:



Geographical concentration Europe:



Disclosure of major shareholders*(in %)*

	Ordinary Shares	Preference shares or depository receipts	
Aegon N.V.	1.06	13.54	
Fortis Utrecht N.V.	0.97	14.38	
Delta Lloyd Leven	0.41	9.90	
ING Groep N.V.	11.61	17.64	
Rabobank Nederland	0.09	10.33	
Dexia (Zonnewijser, investment fund)	–	13.93	

Credit ratings

	Long-term	Short-term	
Moody's	Aa2	P-1	
Standard & Poor's	AA	A-1+	
Fitch/BCA	AA	F1+	

In connection with the listing of its ordinary shares on the New York Stock Exchange, ABN AMRO will also publish an annual report that satisfies the rules established by the Securities and Exchange Commission (SEC). Limited numbers of copies of these 20-F reports are available from the Investor Relations Department.

Investor Relations

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Corporate governance

Under Dutch corporate law, both ABN AMRO Holding N.V. ('Holding') and ABN AMRO Bank N.V. ('Bank') are companies to which the Large Company rules (structuurregime) are applicable. The Large Company rules limit the powers of shareholders in favour of the Supervisory Board and grant certain rights to the staff council. The use of the Large Company rules by Holding and the Bank should be reviewed in light of the increasingly international character of Holding and Bank, the strategic review of our business and the proposed legislative changes to the Large Company rules by the Dutch Government.

A legislative proposal submitted to the Dutch Parliament in January 2002 aims to give shareholders far more influence over Large Companies, such as the Holding. It is not expected that this proposal will be passed into law before 2003. The Supervisory Board and Managing Board support initiatives such as these which increase shareholders' governance rights. The Boards welcome the Dutch legislative proposal because it allows ABN AMRO to adopt a governance structure with sufficient flexibility to draw up articles of association suitable for a company with a predominantly international presence.

Peer group ABN AMRO

Our corporate measure of success is the Total Return to Shareholders (TRS).

The TRS is measured against those of 20 competitors that have been set as our peer set. The goal is to be in the top five of the following peer group at the end of 2004. We started measuring our position from the beginning of January 2001.

A TRS graph showing our relative performance, can be found at the internet site [www.abnamro.com/About ABN AMRO](http://www.abnamro.com/About%20ABN%20AMRO).

Bank One	ING Group
Barclays	JPMorganChase
BBVA	Lloyds TSB
BNP Paribas	Merrill Lynch
Citigroup	Morgan Stanley
Crédit Suisse Group	Nordea
Deutsche Bank	SCH
Fleet Boston	Société Générale
HSBC Holdings	UBS
HVB Group	Wells Fargo



4

Loans

132

73.5 71

2 Cash

assets

35

17.8

9.8

2.1

(5.8)

6.0

20.8

8.2

14.2

(5.6)

19.4

7.6

0.2

(6.1)

10.0

X 9 2.1

79.77

17,932	10,400
12,296	11,197
49,619	48,501

5 X

14,100	14,974
260,175	245,450
71,055	58,842
345,330	319,266
123,365	138,053
16,794	17,787
2,420	2,026
7,331	6,813
11,068	11,071
11,188	11,917
597,363	543,169

4.1

15.64

12 5.138

3

X

+

Financial statements 2001

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Accounting policies

General

The financial statements have been prepared in conformity with generally accepted accounting principles in the Netherlands. Where necessary, the amounts reported in the financial statements are based on estimates and assumptions.

Since ABN AMRO Holding N.V. ordinary shares are listed on the New York Stock Exchange (NYSE) in the form of American Depositary Receipts, ABN AMRO also publishes an annual report (Form 20-F) that conforms to the Securities and Exchange Commission (SEC) rules, including those relating to the format and content of the notes to the financial statements. In addition, the annual report includes an analysis of equity and results according to accounting principles generally accepted in the United States (US GAAP).

Changes in accounting policies

As from 2001 costs related to internally generated software are capitalised during the development stage in property and equipment and depreciated over the estimated useful life. The positive effects on net profit over 2001 and shareholders' equity as at 31 December 2001 are EUR 127 million.

In 2001 the criteria for group companies are sharpened. As a consequence, various companies established to securitise assets bought from ABN AMRO are treated as ABN AMRO group companies from 2001. The impact is an increase of EUR 10.6 billion in total assets. This change has no impact on shareholders' equity and risk-weighted assets as at 1 January 2001.

Basis for inclusion of financial instruments

A financial instrument is accounted for as an asset or liability from the time the respective contractual rights or obligations accrue to the company. Whenever this ceases to be the case, a financial instrument is no longer recognised in the balance sheet. If ABN AMRO has the right on the grounds of legal or contractual provisions and the intention to settle financial assets and liabilities net or simultaneously, they are netted-off in the balance sheet.

Basis of consolidation

The consolidated financial statements incorporate the assets, liabilities, revenues and expenses of ABN AMRO Holding N.V., its subsidiaries and other group companies that form an organisational and economic entity with it. Minority interests in both equity and results of subsidiaries and other group companies are stated separately.

Currency translation

Assets and liabilities denominated in foreign currencies and financial instruments hedging these assets and liabilities are translated into euros at the spot rates of exchange prevailing at balance sheet date. Translation differences are taken to the income statement. With the exception of capital investments in hyper-inflationary countries, translation differences on capital investments in foreign branches, subsidiaries and participating interests, including retained profit, are accounted for in shareholders' equity together with the results from related hedging instruments, after allowing for taxation.

Results on transactions denominated in foreign currencies are translated at the rates prevailing at transaction date or, insofar as accruals and deferrals are involved, on the last day of the month to which the results relate. Results of foreign branches, subsidiaries and participating interests, apart from those in hyper-inflationary countries, are translated at the rates prevailing at the end of the month in which the results are recognised. The results from branches, subsidiaries and participating interests in hyper-inflationary countries are translated at the rates prevailing at balance sheet date, after restating the local currency results for the effects of inflation.

Valuation and determination of results

General

Except where otherwise stated, assets and liabilities are recorded at cost, less any allowance deemed necessary. The effects of transactions and other events are recognised when they occur; revenues and expenses are recognised in the year to which they relate. Premiums and discounts are accounted for in

prepayments and accrued income or accruals and deferred income respectively, and are attributed to the accounting periods throughout the remaining terms of the underlying items.

Except for items forming part of the trading portfolio, interest-earning and interest-bearing securities on which a large part or all of the interest receivable or payable is settled on redemption are included at either purchase price or discounted value on issue plus accrued interest.

Where financial instruments are used to hedge risks associated with designated assets or liabilities, the valuation and determination of results on these instruments are effected in accordance with the policies applied to the hedged items. Transactions are qualified as hedges if they are identified as such and there is a substantial correlation between the hedging results and the results of the positions being hedged. Gains or losses on the early termination of a hedge are recognised as assets or liabilities and amortised over the remaining terms of the hedged positions. Where financial instruments are used to hedge risks associated with designated assets or liabilities and the hedged assets or liabilities are sold or terminated, such financial instruments are no longer qualified as hedges. Results on the settlement of the hedge are accounted for in the same period as gains or losses on the settlement of the hedged position. Accounting policies relating to other financial instruments are explained in the section on trading activities. Where loan-related fees exceed initial expenses, the excess is accounted for as interest in the period concerned. Acquisition commission paid by the life insurance subsidiary to third parties and the banking operation are capitalised as initial expenses and amortised. Expenses involved in the issuance of ordinary and preference shares are charged to shareholders' equity.

Loans

Loans are generally shown at the principal amount. Loans are classified as doubtful as soon as there is any doubt about the

borrower's capacity to repay the principal. Where deemed necessary, an allowance for loan losses is made.

Allowances for loan losses are determined on a statistical basis in conformity with the nature of the underlying loan or per item, taking into account the value of collateral. The value of LDC receivables is assessed on a country by country basis. The allowances are recognised in provision for loan losses in the income statement.

As soon as the loan liquidation procedure is started, ABN AMRO ceases to accrue interest on the loan in question ('non-accrual loans'). Depending on the chances of the principal being repaid, interest is recorded in the income statement only when actually received ('other non-performing loans') or in accordance with the standard method of valuation ('accruing doubtful loans'). Doubtful loans are not written off until it is clear that repayment of principal can be ruled out.

The fund for general banking risks aims to cover general risks related to credits and other banking activities. The related deferred tax assets are deducted from the fund.

Trading activities

Securities held in the trading portfolios are stated at market value. Debentures of ABN AMRO group companies, acquired as part of trading activities, are stated at the lower of market value and purchase price. Foreign exchange contracts, stock, bond, currency and other options, as well as interest rate contracts such as interest rate swaps and forward rate agreements, are stated at market value. The aggregate market value of these contracts is included in other assets or other liabilities. Gains or losses resulting from the method of valuation described are recognised in the income statement in results from financial transactions.

Financial and other fixed assets

Investments

Interest-earning securities (other than securities on which a large part or all of the interest is settled on redemption) held in the

investment portfolios are stated at redemption value. Shares held in these portfolios are included at market value, with changes in value, net of tax, reflected in shareholders' equity. If the revaluation reserve formed in this manner is insufficient to absorb diminutions in value, they will be charged to the income statement in value adjustments to financial fixed assets. Results on sales are credited to the income statement in the year the investments are sold. Net capital gains on interest-bearing securities realised prior to redemption date in connection with replacement operations are recognised as interest over the remaining average portfolio duration. Investments which are held under insurance contracts for the account and risk of policyholders are carried at market value; changes in the value of these investments are accounted for as other revenue (profits or losses of insurance companies).

Shares as part of venture capital activities

Equity investments, i.e. shares acquired as part of venture capital activities, are stated at purchase price or sustained lower market value. Changes in value are reflected in the income statement.

Participating interests

Participating interests in which ABN AMRO or one of its subsidiaries has a significant influence on commercial and financial policy are stated at net asset value determined in conformity with the policies applied in these financial statements. In accordance with these policies, movements in net asset value are recorded in shareholders' equity, such as revaluations and goodwill, or in the income statement. Tax payable on distributions is taken into account at the moment of the decision to make a distribution.

Goodwill arising from the acquisition of participating interests is charged to shareholders' equity.

Other participating interests, consisting principally of equity investments in companies in related lines of business, are shown at estimated net realisable value. Movements in

value, net of tax, are recorded in shareholders' equity. If the revaluation reserve formed in this manner is insufficient to absorb diminutions in value, such diminutions will be charged to the income statement in value adjustments to financial fixed assets.

Property and equipment

Premises used in operations, including land, are stated at current value based on replacement cost. These current values are estimated on a rolling basis by external appraisers, whereby each year at least 10% of the bank's buildings is appraised. The value of larger fittings is estimated once every five years. Buildings and fixtures and fittings are fully depreciated by the straight-line method over their estimated useful life with a maximum of fifty years. Movements in value, net of tax, are credited or charged to shareholders' equity on a long-term basis. Capital expenditures on rented premises are capitalised and also depreciated on a straight-line basis, taking into account the term of the lease. Property held for sale is stated at the lower of cost, including interest during construction, and estimated proceeds from sale.

Equipment, computer installations, software bought from third parties and the costs of internally developed software which relates to the development stage are stated at cost less straight-line depreciation over the estimated useful life.

Marketable servicing rights are capitalised at the lower of cost or net realisable value and amortised over their term.

Provisions

For the employees in the Netherlands and the majority of staff employed outside the Netherlands, pension or other retirement plans have been established in accordance with the regulations and practices of the countries in question. Most of these plans are administered by separate pension funds or third parties. The contributions paid are charged to the income statement each year. The amount of the contribution takes account of increases in pension rights in line with the development of

wages and inflation, as well as of the return achieved by the pension funds in excess of the actuarial interest rate, which is currently 4% in the Netherlands.

Insurance fund liabilities are related chiefly to provisions for life insurance. They are determined using actuarial methods and on the basis of the same principles as those used to calculate the premium. These provisions are periodically tested by reference to changes in mortality, interest and costs, and increased when deemed inadequate. Technical provisions for investment exposure borne by policyholders are determined using the same principles as are applied for the valuation of the underlying investments.

Self-administered pension plan commitments, which are relatively small, and provisions for payments to non-active employees are computed on the basis of actuarial assumptions.

Except for deferred tax liabilities, other provisions for commitments and risks are included at face value.

Taxes

In determining the effective tax rate, all timing differences between pre-tax profit determined on the basis of ABN AMRO accounting policies and the taxable amount in accordance with tax legislation, are taken into account. Deferred tax liabilities are discounted to their present value on the basis of the net interest. Deferred tax assets are accounted for only if there is sufficient assurance about their collectibility. The addition to or withdrawal from the fund for general banking risks is taken into account when determining the effective tax rate.

Consolidated balance sheet at 31 December 2001 after profit appropriation (in millions of euros)

	2001	2000
Assets		
Cash 1	17,932	6,456
Short-dated government paper 2,5	12,296	11,199
Banks 3	49,619	48,581
<i>Loans to public sector</i>	14,100	14,974
<i>Loans to private sector</i>	260,175	245,450
<i>Professional securities transactions</i>	71,055	58,842
Loans 4	345,330	319,266
Interest-earning securities 5	123,365	108,053
Shares 5	16,794	17,787
Participating interests 6	2,420	2,026
Property and equipment 7	7,331	6,813
Other assets 8	11,088	11,071
Prepayments and accrued income 9	11,188	11,917
	597,363	543,169
Liabilities		
Banks 10	107,843	101,510
<i>Savings accounts</i>	84,345	80,980
<i>Deposits and other client accounts</i>	173,441	155,549
<i>Professional securities transactions</i>	54,578	43,020
Total client accounts 11	312,364	279,549
Debt securities 12	72,495	60,283
Other liabilities 8	45,633	41,080
Accruals and deferred income 9	12,349	14,791
Provisions 13	12,672	13,422
	563,356	510,635
Fund for general banking risks 14	1,381	1,319
Subordinated debt 15	16,283	13,405
Shareholders' equity 16	11,787	12,523
Minority interests 17	4,556	5,287
Group equity	16,343	17,810
Group capital	34,007	32,534
	597,363	543,169
Contingent liabilities 23	47,784	49,044
Committed facilities	145,570	138,457

Consolidated income statement for 2001

(in millions of euros)

	2001	2000	1999
Revenue			
Interest revenue	35,013	37,236	29,062
Interest expense	24,923	27,832	20,375
Net interest revenue 26	10,090	9,404	8,687
Revenue from securities and participating interests 27	455	451	357
Commission revenue	5,793	6,529	4,947
Commission expense	579	649	492
Net commissions 28	5,214	5,880	4,455
Results from financial transactions 29	1,552	1,569	1,374
Other revenue 30	1,523	1,165	654
Total non-interest revenue	8,744	9,065	6,840
Total revenue 39	18,834	18,469	15,527
Expenses			
Staff costs 31	7,653	7,460	5,768
Other administrative expenses 32	5,161	4,801	4,041
Administrative expenses	12,814	12,261	9,809
Depreciation 33	957	941	800
Operating expenses	13,771	13,202	10,609
Provision for loan losses 34	1,426	617	653
Release from fund for general banking risks 35		(32)	(20)
Value adjustments to financial fixed assets 36	24	(43)	35
Total expenses	15,221	13,744	11,277
Operating profit before taxes	3,613	4,725	4,250
Taxes 37	998	1,324	1,320
Operating profit after taxes	2,615	3,401	2,930
Extraordinary revenue 38	962		
Extraordinary expenses 38	147	900	
Taxes on extraordinary result	(52)	(301)	
Extraordinary result after taxes	867	(599)	
Group profit after taxes	3,482	2,802	2,930
Minority interests 39	252	304	360
Net profit	3,230	2,498	2,570
Earnings per ordinary share 40	2.10	1.63	1.72
Fully diluted earnings per ordinary share 40	2.09	1.62	1.71
Dividend per ordinary share	0.90	0.90	0.80

Numbers stated against items refer to the notes.

Consolidated cash flow statement for 2001

(in millions of euros)

	2001	2000	1999
Group profit	3,482	2,802	2,930
Depreciation	957	941	800
Provision for loan losses less release from fund for general banking risks	1,426	585	633
Movement in provisions	(580)	1,085	516
Movement in interest receivable	383	(542)	(1,878)
Movement in interest payable	(1,660)	1,429	1,356
Movement in current tax	595	64	274
Other accruals and deferrals	811	872	200
Government paper and securities, trading	(835)	(12,230)	13,423
Other securities	4,975	(2,305)	9,865
Banks, other than demand deposits	(4,351)	11,788	(13,288)
Loans	1,135	(20,022)	(18,907)
Professional securities transactions (included in loans)	(9,241)	(15,043)	(1,441)
Total client accounts	8,292	27,005	13,984
Professional securities transactions (included in total client accounts)	8,971	10,782	(5,274)
Debt securities, excluding debentures and notes	2,962	(1,405)	5,524
Other assets and liabilities	(1,597)	3,750	(3,155)
Net cash flow from operations/ banking activities	15,725	9,556	5,562
Purchase of securities for investment portfolios	(99,189)	(61,839)	(56,164)
Sale and redemption of securities from investment portfolios	77,199	59,726	49,821
Net outflow	(21,990)	(2,113)	(6,343)
Investments in participating interests	(4,977)	(2,292)	(1,355)
Sale of investments in participating interests	1,752	202	64
Net outflow	(3,225)	(2,090)	(1,291)
Capital expenditure on property and equipment	(1,611)	(1,597)	(1,502)
Sale of property and equipment	414	214	293
Net outflow	(1,197)	(1,383)	(1,209)
Net cash flow from investment activities	(26,412)	(5,586)	(8,843)
Increase in group equity	(126)	55	1,198
Repayment of preference shares	(415)	(528)	
Issue of subordinated debt	4,048	1,452	1,536
Repayment of subordinated debt	(1,615)	(299)	(350)
Issue of debentures and notes	11,865	5,956	8,851
Repayment of debentures and notes	(4,003)	(5,941)	(2,826)
Cash dividends paid	(1,108)	(1,135)	(974)
Net cash flow from financing activities	8,646	(440)	7,435
Cash flow	(2,041)	3,530	4,154

Changes in shareholders' equity in 2001

(in millions of euros)

	2001	2000	1999
Ordinary shares			
Opening balance	851	832	818
Exercised options and warrants		2	1
Conversion of convertible preference shares		1	1
Stock dividends	22	16	12
Redenomination	(11)		
Closing balance	862	851	832
Preference shares			
Opening balance	823	823	823
Dematerialisation	(10)		
Closing balance	813	823	823
Convertible preference shares			
Opening balance	2	3	4
Conversion		(1)	(1)
Closing balance	2	2	3
Share premium account relating to ordinary shares			
Opening balance	2,497	2,443	2,409
Exercised options and conversion	8	51	38
Conversion of convertible preference shares	3	19	8
Stock dividends	(22)	(16)	(12)
Closing balance	2,486	2,497	2,443
Share premium account relating to convertible preference shares			
Opening balance	21	37	45
Conversion	(3)	(16)	(8)
Closing balance	18	21	37
General reserve and statutory reserve			
Opening balance	8,376	7,982	6,988
Retained profit	1,810	1,074	1,320
Stock dividends	832	772	520
Goodwill	(3,186)	(1,453)	(814)
Redenomination	11		
Other	7	1	(32)
Closing balance	7,850	8,376	7,982
Revaluation reserves			
Opening balance	300	320	314
Revaluations	55	(20)	6
Closing balance	355	300	320
Exchange differences reserve			
Opening balance	(326)	(424)	(639)
Currency translation differences	(150)	98	215
Closing balance	(476)	(326)	(424)
Treasury stock			
Opening balance	(21)	(29)	(39)
Increase (decrease)	(102)	8	10
Closing balance	(123)	(21)	(29)
Total shareholders' equity	11,787	12,523	11,987

Notes to the consolidated balance sheet and income statement (unless otherwise stated, all amounts are in millions of euros)

1 Cash

This item includes legal tender and demand deposits with central banks in countries in which the bank has a presence.

2 Short-dated government paper

This item includes securities issued by public authorities, such as treasury paper, with original terms of two years or less, provided they can be refinanced with a central bank.

3 Banks (assets)

This item includes receivables, including professional securities transactions, from credit institutions, central banks and multilateral development banks not already recognised in cash. Securitised receivables are included in interest-earning securities or shares.

4 Loans and credit risk

This item includes amounts receivable in connection with loans, including professional securities transactions, insofar as they are not recognised in the item banks. Securitised receivables are included in interest-earning securities or shares.

In granting facilities and loans, the bank incurs a credit risk, i.e. the risk that the receivable will not be paid. This is related primarily to the balance sheet items banks, loans and interest-earning securities, and to off-balance sheet items. Concentration of credit risk could result in a material loss for the bank if a change in economic circumstances were to affect a whole industry or country.

Sector analysis of loans

	2001	2000
Public sector	14,114	15,000
Commercial	153,770	148,102
Retail	110,860	101,540
Professional securities transactions	71,055	58,842
Allowances for loan losses and sovereign risks	(4,469)	(4,218)
Loans	345,330	319,266

Collateral for private sector loans

Collateral is frequently demanded in connection with lending operations. The following table analyses private sector loans by type of collateral. Unsecured loans also include loans for which the bank has the right to require collateral.

	2001	2000
<i>Commercial</i>		
Public authority guarantees	3,866	6,932
Mortgages	20,575	22,615
Securities	2,605	3,246
Bank guarantees	2,941	5,606
Other types of collateral and unsecured	123,783	109,703
Total commercial loans	153,770	148,102
<i>Retail</i>		
Public authority guarantees	3,030	6,392
Mortgages	83,798	74,496
Other types of collateral and unsecured	24,032	20,652
Total retail loans	110,860	101,540

Commercial loans by industry

	2001	2000
Agriculture, mining and energy	9,379	10,436
Manufacturing	31,482	36,751
Construction and real estate	20,268	17,972
Wholesale and retail trade	20,990	21,387
Transportation and communications	18,371	12,894
Financial services	22,025	17,260
Business services	16,534	15,091
Education, health care and other services	14,721	16,311
Total commercial loans	153,770	148,102

Loans per region

	2001	2000
<i>Netherlands</i>		
Public sector	2,550	2,901
Commercial	54,329	53,734
Retail	75,847	67,635
Professional securities transactions	1,883	1,487
Total Netherlands	134,609	125,757
<i>North America</i>		
Public sector	1,099	984
Commercial	51,658	46,229
Retail	25,353	23,580
Professional securities transactions	54,932	41,493
Total North America	133,042	112,286
<i>Rest of the world</i>		
Public sector	10,465	11,115
Commercial	47,783	48,139
Retail	9,660	10,325
Professional securities transactions	14,240	15,862
Total Rest of the world	82,148	85,441
Total	349,799	323,484

Movements in allowances for loan losses

	2001	2000	1999
Opening balance	4,195	4,458	4,116
Currency translation differences and other movements	(227)	233	178
Write-offs	(1,158)	(1,575)	(771)
Received after write-off	193	108	119
	3,003	3,224	3,642
Addition from net interest revenue	155	157	138
Addition from provision for loan losses	2,052	1,278	1,085
Transfer to provision for loan losses	(710)	(464)	(407)
Net increase	1,342	814	678
Closing balance	4,500	4,195	4,458

Sovereign risk

Loans and other exposures are often not restricted to the country in which the facility is extended, but also involve banks, public authorities and other clients in foreign countries, and are mostly denominated in foreign currencies. The total cross-border exposure is very substantial but relates mainly to OECD countries. An increased risk on these outstandings would arise if and insofar as government measures or extreme economic conditions in specific countries were to restrict debt servicing. Until 2000 additional cross-border risk allowances were applied in such circumstances. As from December 2000, however, the existing country provision method was replaced by a system of sovereign provisions.

Under the new method only foreign currency debt of certain sovereigns is provisioned. The current value of US Treasury collateral issued as part of restructuring programmes is taken into account in determining actual sovereign risk allowances. A sovereign allowance is a kind of counterparty allowance, whereas a country risk allowance is a general allowance on the total exposure to a country.

Analysis of sovereign risk and allowances at 31 December 2001

	Net exposure	Risk allowances
Central and Eastern Europe	249	62
Latin America and the Caribbean	745	230
Asia Pacific	31	17
Other countries	55	36
Total	1,080	345

Movements in sovereign risk allowances

	2001	2000	1999
Opening balance	272	533	494
Currency translation differences	12	36	74
Provision for loan losses	84	(197)	(25)
Other movements	(23)	(100)	(10)
Closing balance	345	272	533

Allowances for sovereign risks and country risks respectively are charged to loans, banks and interest-bearing securities.

Leasing

Amounts included regarding finance lease agreements and the related present values, whereby the bank acts as lessor in a finance lease are:

	Minimum lease payments	Present value
Within one year	347	338
After one year and within five years	998	891
After five years	328	251
Total	1,673	1,480

The total of unearned finance income amounted to EUR 320 million. The unguaranteed residual values of the leased assets accruing to ABN AMRO amounted to EUR 179 million.

Operationally leased assets totalled EUR 10,152 million, of which EUR 10,079 million related to vehicles, EUR 71 million to computer equipment and EUR 2 million to other.

Other

The item loans includes subordinated debt amounting to EUR 21 million (2000: EUR 22 million), as well as loans securitised by the bank amounting to EUR 10.6 billion in consideration of which debt paper issued is included in the balance sheet.

5 Securities

The balance sheet items short-dated government paper, interest-earning securities and shares include the investment portfolios, the trading portfolios, securitised receivables such as treasury paper and commercial paper, and equity participations. Interest-earning securities forming part of an investment portfolio, which principally consist of central government bonds, serve as a liquidity buffer among others. The bank attempts to maximise the return on these instruments through a policy of active management. Equity investments held on a long-term basis are also included in the investment portfolios.

The aforementioned balance sheet items can be analysed as follows:

	2001	2000
Investment portfolios	85,957	67,893
Trading portfolios	51,325	52,305
Short-dated government paper	3,126	5,579
Other bank paper	3,295	3,207
Other debt securities	6,145	5,957
Other	903	
Equity participations	1,704	2,098
Total securities	152,455	137,039

of which:

	<i>Listed</i>		<i>Unlisted</i>	
	2001	2000	2001	2000
Public authority paper	63,077	37,765	13,435	23,097
Other interest-earning securities	18,643	20,968	40,506	37,422
Shares	14,054	14,686	2,740	3,101
Total securities	95,774	73,419	56,681	63,620

Listed securities include all securities which are traded on any stock exchange. Third parties hold legal title to part of the securities included in the portfolios. This is related to securities sold with repurchase commitments (EUR 41,532 million, 2000: EUR 11,639 million) and securities lending transactions (EUR 62,943 million, 2000: EUR 5,947 million). In addition, ABN AMRO borrowed securities totalling EUR 37,730 million (2000: EUR 16,482 million). These securities are not shown in the balance sheet. The item interest-earning securities includes securities of a subordinated nature totalling EUR 308 million (2000: EUR 131 million) and non-subordinated interest-earning securities issued by group companies totalling EUR 826 million (2000: EUR 1,249 million).

As part of its securities brokerage activities, the bank also trades in ABN AMRO shares. In addition, shares were repurchased on the stock exchange in connection with staff options granted, performance share plan and to cover positions with clients. At balance sheet date, the treasury stock position of group companies included 6.8 million ABN AMRO Holding N.V. ordinary shares. The corresponding amount of EUR 123 million has been deducted from reserves.

An amount of EUR 19,815 million is scheduled for redemption in 2002.

Investment portfolios

The analysis below shows the book value and the fair value of ABN AMRO's investment portfolios. Fair value is based on quoted prices for traded securities and estimated market value for non-traded securities.

	2001			2000		
	<i>Book value</i>	<i>Premiums or discounts</i>	<i>Fair value</i>	<i>Book value</i>	<i>Premiums or discounts</i>	<i>Fair value</i>
Dutch government	5,016	114	5,291	6,503	17	6,682
US Treasury and US government agencies	10,520	124	10,586	4,235	(21)	4,260
Other OECD governments	26,035	536	26,943	19,853	313	20,475
Mortgage-backed securities	26,415	98	26,478	21,559	(89)	21,558
Other interest-earning securities	13,121	(40)	13,364	10,288	(73)	10,462
Total interest-earning securities and short-dated government paper	81,107	832	82,662	62,438	147	63,437
Shares	4,850		4,850	5,455		5,455
Total investment portfolios	85,957		87,512	67,893		68,892

The book value of the investment portfolios developed during 2001 as follows:

	<i>Interest-earning</i>	<i>Shares</i>
Opening balance of banking business investment portfolio	59,465	1,668
Movements:		
• Purchases	97,848	1,341
• Sales	(61,794)	(1,214)
• Redemptions	(14,191)	
• Acquisitions/dispositions	(4,044)	(57)
• Revaluations		(51)
• Currency translation differences	2,658	3
• Other	(270)	33
Closing balance of banking business investment portfolio	79,672	1,723
Closing balance of insurance business investment portfolio	1,435	3,127
Total investment portfolios	81,107	4,850
Revaluations included in closing balance		3
Diminutions in value included in closing balance		79

Premiums and discounts on the investment portfolios are amortised. The purchase price of the investment portfolios, including unamortised amounts from replacement transactions, was EUR 148 million above the redemption value.

Trading portfolios

The following table analyses the composition of the trading portfolios.

	2001	2000
Dutch government	541	1,534
US Treasury and US government agencies	16,476	8,519
Other OECD governments	13,823	16,071
Other interest-earning securities	11,148	15,947
Total interest-earning securities	41,988	42,071
Shares	9,337	10,234
Total trading portfolios	51,325	52,305

Other securities

The following table analyses the book value and fair value of other securities.

	2001		2000	
	<i>Book value</i>	<i>Fair value</i>	<i>Book value</i>	<i>Fair value</i>
Short-dated government paper	3,126	3,146	5,579	5,593
Other bank paper	3,295	3,295	3,207	3,207
Other debt securities	6,145	6,144	5,957	5,928
Total interest-earning securities	12,566	12,585	14,743	14,728
Shares and equity participations	2,607	2,449	2,098	2,065
Total other securities	15,173	15,034	16,841	16,793

6 Participating interests

This item includes equity participations held on a long-term basis for the purpose of business operations.

	2001	2000
Credit institutions	1,152	916
Other participating interests	1,268	1,110
Total participating interests	2,420	2,026
Development:		
Opening balance	2,026	1,884
Movements:		
• Purchases/increases	185	196
• Sales/reductions	(118)	(202)
• Revaluations	48	(4)
• Other	279	152
Closing balance	2,420	2,026
Revaluations included in closing balance	50	2

Participating interests with official stock exchange listings represented a book value of EUR 914 million (2000: EUR 629 million).

7 Property and equipment

	2001	2000
Property used in operations	3,456	3,376
Other property	1,907	1,533
Equipment	1,968	1,904
Total property and equipment	7,331	6,813

At 31 December 2001 EUR 195 million of internally generated software is capitalised under equipment.

	Total	<i>Property Used in operations</i>	<i>Other</i>	<i>Equipment</i>
Development:				
Opening balance	6,813	3,376	1,533	1,904
Movements:				
• Purchases	1,611	346	277	988
• Sales	(414)	(168)	(125)	(121)
• Revaluations	1	1		
• Depreciation	(957)	(228)		(729)
• Acquisitions/dispositions	74	90	2	(18)
• Other	203	39	220	(56)
	518	80	374	64
Accumulated amounts:				
Replacement cost	10,702	4,681	1,910	4,111
Depreciation	(3,371)	(1,225)	(3)	(2,143)
Closing balance	7,331	3,456	1,907	1,968
Revaluations included in closing balance	152	149	3	

Legal title to property and equipment totalling EUR 119 million (2000: EUR 34 million) is held by third parties, of which EUR 52 million relates to finance lease transactions in which the bank acts as a lessee.

Payables with respect to these finance lease agreements are:

	<i>Payables on finance lease agreements</i>
Within one year	24
After one year and within five years	28
Total	52

Amounts received and to be received out of operating sub-leases are EUR 5 million and EUR 2 million respectively.

8 Other assets and other liabilities

These items include those amounts which are not of an accrued or deferred nature or which cannot be classified with any other balance sheet item. This concerns, for example, current tax assets (2001: EUR 316 million) and current tax liabilities (2001: EUR 1,011 million), deferred tax assets (2001: EUR 936 million), options, servicing rights, precious metals and other goods, balances of payment transactions still to be settled, short securities positions and market value of interest rate and currency contracts as part of trading activities. Also included are options on behalf of customers (2001: EUR 352 million).

9 Prepayments and accrued income and accruals and deferred income

These items include revenue and expenses recognised in the period under review but whose actual receipt or payment falls in a different period, as well as the total net difference between contract rates and spot rates on foreign exchange hedging operations.

10 Banks (liabilities)

This item comprises debts, including amounts on account of professional securities transactions, to credit institutions, central banks and multilateral development banks.

11 Total client accounts

This item includes total client balances held in current accounts, savings accounts and deposits, as well as debts on account of professional securities transactions and non-subordinated private loans.

	2001	2000
Savings accounts	84,345	80,980
Corporate deposits	87,838	77,722
Professional securities transactions	54,578	43,020
Other client accounts	85,603	77,827
Total client accounts	312,364	279,549

12 Debt securities

This item includes non-subordinated debt and other negotiable interest-bearing debt securities.

	2001	2000
Debentures and notes	41,976	24,736
Cash notes, savings certificates and bank certificates	7,666	8,015
Certificates of deposit and commercial paper	22,853	27,532
Total debt securities	72,495	60,283

The debentures are issued principally in the Dutch capital market and the Euromarket and are denominated mostly in euros and US dollars. The commercial paper programme is conducted mainly in the United States and is denominated in US dollars. The other debt securities are instruments used in markets in which ABN AMRO is active and are usually denominated in local currencies. At 31 December 2001, debt securities denominated in euros amounted to EUR 31,789 million and those denominated in US dollars to EUR 34,461 million.

At 31 December 2001 the debentures and notes, originally issued in the Dutch capital market, included EUR 9,541 million of variable rate obligations. In addition, EUR 4,793 million of the debentures and notes had been converted into variable rate obligations through the use of asset-liability management derivative contracts. In comparison to previous years the debentures and notes (issued in the Dutch capital market) increased substantially as a result of the asset securitisation programs. The average interest rate on the debentures and notes, adjusted to reflect the effect of asset-liability management derivative contracts at year-end 2001, was 4.32%.

Maturity analysis of debt securities

	2001	2000
Within one year	40,614	31,724
After one and within two years	5,276	3,385
After two and within three years	3,843	2,649
After three and within four years	2,794	2,532
After four and within five years	3,765	2,855
After five years	16,203	17,138
Total debt securities	72,495	60,283

13 Provisions

	2001	2000
Provision for deferred tax liabilities (<i>see note 37</i>)	741	1,391
Provision for pension commitments	242	252
Provisions for payments to non-active employees	279	251
Insurance fund liabilities	10,123	9,984
Restructuring provisions	519	837
Other provisions	768	707
Total provisions	12,672	13,422

The provisions for payments to non-active employees relate to early retirement, total disability, contributions to medical expenses and other commitments. Insurance fund liabilities include the actuarial reserves and the premium and claims reserves of the group's insurance companies.

More details regarding the restructuring provisions are given in note 38.

Provisions are generally long-term in nature.

	<i>Pension commitments</i>	<i>Payments to non-active employees</i>	<i>Re-structuring</i>	<i>Other provisions</i>
Opening balance	252	251	837	707
Movements:				
• Additions from income statement	54	83	201	113
• Expenses charged to provisions	(60)	(50)	(519)	(52)
• Currency translation differences	8			(34)
• Accruals and changes in discount rate		6		
• Acquisitions/dispositions	(12)	(11)		34
Closing balance	242	279	519	768

14 Fund for general banking risks

The fund for general banking risks covers general risks associated with lending and other banking activities. The fund is net of tax and forms part of tier 1 capital; it is maintained partly in currencies other than the euro.

	2001	2000
Opening balance	1,319	1,232
Movements:		
Release to income statement		(32)
Tax on release		11
Acquisitions	75	(21)
Disposition (EAB)	(53)	
Currency translation differences	40	57
Other		51
Closing balance	1,381	1,319

15 Subordinated debt

This item includes subordinated debentures and loans which, according to the standards applied by the Dutch central bank, qualify for the consolidated capital adequacy ratio. It comprises debt subordinated to all other current and future liabilities of ABN AMRO Holding N.V. as well as borrowings of consolidated participating interests, including EUR 15,863 million raised by ABN AMRO Bank N.V. In general, early repayment, in whole or in part, is not permitted.

The average interest rate on subordinated debt was 6.3%.

Maturity analysis of subordinated debt

	2001	2000
Within one year	728	1,523
After one and within two years	148	703
After two and within three years	495	188
After three and within four years	1,489	487
After four and within five years	1,429	1,427
After five years	11,994	9,077
of which:		
Perpetual	2,226	136
Preference shares qualifying as tier 1 capital	2,562	925
Total subordinated debt	16,283	13,405

Subordinated debt as at 31 December 2001 was denominated in euros to an amount of EUR 8,165 million and in US dollars to an amount of EUR 7,912 million, and included EUR 3,789 million of variable rate obligations.

16 Shareholders' equity

	2001	2000	1999
Share capital	1,677	1,676	1,658
Reserves	10,233	10,868	10,358
Treasury stock	11,910 (123)	12,544 (21)	12,016 (29)
Total shareholders' equity	11,787	12,523	11,987

For further information reference is made to the section on changes in shareholders' equity.

Share capital

The authorised share capital of ABN AMRO Holding N.V. amounts to EUR 4,704,000,224 face value and consists of one hundred priority shares, four billion ordinary shares, one billion preference shares and one hundred million convertible preference shares, each of which is convertible into four ordinary shares.

The issued and paid-up share capital is made up of the following numbers of shares:

Priority share (face value EUR 2.24)	1
Ordinary shares (face value EUR 0.56)	1,542,297,858
Preference shares (face value EUR 2.24)	362,503,010
Convertible preference shares (face value EUR 2.24)	684,769

On 31 December 2001, 6,764,904 ordinary shares were repurchased, of which 5,700,000 in connection with the performance share plan and 1,064,904 in connection with staff options granted.

The preference shares are registered shares; the dividend has been fixed with effect from 1 January 2001 at 5.55% of the face value. This percentage will be adjusted on 1 January 2011 in the manner stipulated in the articles of association.

Dividend on convertible preference shares has been fixed at EUR 1.72 (rounded) per share per annum until the end of 2003. Holders of convertible preference shares can convert their shares into 2.7 million ordinary shares until 31 October 2003, on payment of EUR 0.79 (rounded) per ordinary share.

Reserves

	2001	2000	1999
Share premium account	2,504	2,518	2,480
Revaluation reserves	355	300	320
Reserves prescribed by law and articles of association	258	207	205
<i>General reserve</i>	<i>7,592</i>	<i>8,169</i>	<i>7,777</i>
<i>Exchange differences reserves</i>	<i>(476)</i>	<i>(326)</i>	<i>(424)</i>
Other reserves	7,116	7,843	7,353
Total reserves	10,233	10,868	10,358

The share premium account is regarded as paid-up capital for tax purposes.

Due to dispositions and depreciation, EUR 173 million of the revaluation reserves is regarded as realised. The remaining part is regarded as a legal reserve. The expected stock dividend percentage (55%) for the final dividend was taken into consideration.

Staff options

Apart from Managing Board members and other top management, employees of ABN AMRO in the Netherlands are periodically offered the opportunity to acquire equity options whose value is related to the option exercise price. The exercise price of staff options is equal to the average of the highest and lowest ordinary share price quoted on the Euronext Amsterdam on the date of grant. With effect of 2001, options granted to top management have a duration of seven years instead of a previous maximum of five years.

However, the majority of the options is not exercisable during the first three years from the date of grant. Open periods have been established for senior management and other designated persons. This category of staff is not permitted to exercise its options outside the open periods, except on the expiration date and the preceding five working days, subject to certain conditions. In 2001, approximately 34,000 employees exercised the right to take equity options.

In 1999, 2000 and 2001, the price of options exercised ranged from EUR 6.67 to EUR 24.32. If fully exercised, the options at year-end 2001 would have increased the number of ordinary shares by 50.7 million (see following analysis).

<i>Year of expiration</i>	<i>Staff options (in thousands)</i>	<i>Average exercise price (in euros)</i>	<i>Low/high exercise price (in euros)</i>
2002	6,033	16.59	15.38-18.60
2003	13,956	22.56	17.28-23.52
2004	10,628	20.77	18.10-24.32
2005	5,677	21.17	17.95-24.11
2007	4,744	21.30	21.30
2008	9,620	22.74	22.34-23.14
Total	50,658	21.23	15.38-24.32

	2001		2000	
	<i>Staff options (in thousands)</i>	<i>Average exercise price (in euros)</i>	<i>Staff options (in thousands)</i>	<i>Average exercise price (in euros)</i>
Opening balance	42,016	20.46	34,306	19.32
Options granted to Managing Board members	550	23.14	482	21.30
Options granted to other top management	4,335	23.14	4,489	21.28
Other options granted	6,583	21.28	6,906	22.28
Options exercised	(2,524)	12.06	(4,008)	14.91
Options expired and forfeited	(302)	20.59	(159)	19.54
Closing balance	50,658	21.23	42,016	20.46

To settle the options granted, with effect from 1 January 2001, ABN AMRO will each year make available new ordinary shares up to 1% of the issued ordinary shares. The total of outstanding options that will be settled through the issuance of new ordinary shares will not exceed 10% of the issued ordinary shares.

To settle additional options granted above these limits, ABN AMRO will repurchase shares in the open market or hedge these options through derivative transactions. If all rights are fully exercised, shareholders' equity would increase by an amount of EUR 1,078 million.

Deliveries on options exercised in 2001 were made from share repurchases on the date of grant (2,031,105 shares) and from new shares issued on the exercise date (492,950 shares).

If ABN AMRO had based the cost of staff options granted in 2001 at the fair value of the options at the date of grant instead of the intrinsic value of the options, net profit and earnings per ordinary shares would have been EUR 66 million and EUR 0.04 lower respectively.

17 Minority interests

This item comprises the share of third parties in the equity of subsidiaries and other group companies, as well as preferred stock issued to third parties by subsidiaries in the United States. The right to repayment of this preferred stock is in all cases vested in the issuing institution but repayment is also subject to approval of the supervisory authorities. If this right is not exercised, preference shares without fixed dividend entitlement qualify for a dividend step-up. In terms of dividend and liquidation rights, Trust preferred shares are comparable to ABN AMRO Holding N.V. preference shares.

	2001	2000	1999
Cumulative preference shares			109
Non-cumulative preference shares			
• Trust preferred shares with fixed dividend	2,834	2,689	2,488
• Other shares with fixed dividend	458	480	547
• Other shares with dividend step-up	321	1,027	1,209
Other minority interests	943	1,091	592
Total	4,556	5,287	4,945

	2001	2000	1999
Opening balance	5,287	4,945	3,530
Currency translation differences	244	413	556
Issue of preference shares			1,180
Acquisitions/dispositions	(413)		
Redemption/repurchase of preference shares	(415)	(528)	
Other movements	(147)	457	(321)
Closing balance	4,556	5,287	4,945

18 Capital adequacy

The standards applied by the Dutch central bank for the principal capital ratios are based on the capital adequacy guidelines of the European Union and the Basel Committee for Banking Supervision. These ratios compare the bank's total capital and tier 1 capital with the total of risk-weighted assets and off-balance sheet items and the market risk associated with the trading portfolios. The minimum requirement for the total capital ratio and tier 1 ratio is 8% and 4% respectively of risk-weighted assets.

The following table analyses actual capital and the minimum standard in accordance with supervisory requirements.

	2001		2000	
	<i>Required</i>	<i>Actual</i>	<i>Required</i>	<i>Actual</i>
Total capital	21,871	29,814	21,108	27,421
Total capital ratio	8.0%	10.91%	8.0%	10.39%
Tier 1 capital	10,935	19,224	10,554	19,010
Tier 1 capital ratio	4.0%	7.03%	4.0%	7.20%

19 Accounts with participating interests

Amounts receivable from and payable to participating interests included in the various balance sheet items totalled:

	2001	2000
Banks (<i>assets</i>)	109	10
Loans	247	216
Banks (<i>liabilities</i>)	332	380
Total client accounts	27	48

20 Maturity

Short-dated liabilities and demand deposits are generally matched by cash, assets that can be realised at short notice or lending operations as part of the interest rate risk policy. The balance sheet is already presented in descending order of liquidity. A number of items containing assets or liabilities with varying maturities are analysed in the table on page 87. This analysis does not include liquid assets such as cash and short-dated government paper and the bond investment portfolios, which by their nature can be realised at short notice. In every country in which ABN AMRO is active, liquidity satisfies the standards imposed by the supervisory authorities.

Maturity analysis (in billions of euros)

	On demand	≤ 3 months	3 m - ≤ 1 yr	1 yr - ≤ 5 yr	> 5 yr
Banks (liabilities)	11	68	18	9	2
Savings accounts	55	19	6	4	
Deposits and other client accounts (including professional securities transactions)	73	130	16	4	5
Debt securities		26	14	16	16
Subordinated debt			1	3	12
Banks (assets)	8	30	10	1	1
Loans	20	113	45	72	95

21 Currency position

Of total assets and total liabilities, amounts equivalent to EUR 387 billion and EUR 375 billion respectively are denominated in currencies other than the euro. Positions arising from balance sheet items are generally hedged by foreign exchange contracts not included in the balance sheet. The actual currency positions arising out of the bank's proprietary foreign exchange dealing activities are of limited size. Capital invested in operations outside the Netherlands is largely funded in euros. Part of the resulting currency positions is used to offset movements in required capital for foreign-currency risk-bearing assets, which is also due to exchange rate fluctuations. Similar reasoning lies behind the policy of issuing preferred stock and subordinated debt in foreign currencies.

22 Collateral provided

In connection with collateral provided for specific liabilities and off-balance sheet commitments, as well as for transactions in financial markets, specific assets are not freely available. This relates to cash (EUR 1.2 billion), securities (EUR 10.9 billion) and loans (EUR 26.3 billion). Collateral has been provided for liabilities included in the item total client accounts (EUR 14.4 billion).

23 Contingent liabilities

	2001	2000
Commitments with respect to guarantees granted	43,334	43,633
Commitments with respect to irrevocable letters of credit	4,379	5,291
Commitments with respect to recourse risks arising from discounted bills	71	120
	47,784	49,044

24 Derivatives

Derivatives are financial instruments, the contracted or notional amounts of which are not included in the balance sheet either because rights and obligations arise out of one and the same contract, the performance of which is due after balance sheet date, or because the notional amounts serve merely as variables for calculation purposes. Examples of derivatives are forward exchange contracts, options, swaps, futures and forward rate agreements. The underlying value may involve interest rate, currency, commodity, bond or equity products or a combination of these. Derivatives transactions are conducted as a trading activity (also on behalf of clients) and as a hedge against ABN AMRO's own interest rate and currency exposure.

The degree to which ABN AMRO is active in the respective markets or market segments is shown in the following analysis by means of notional amounts (including maturity profile based on remaining term). The notional amounts, however, give no indication of the size of the cash flows and the market risk or credit risk attaching to derivatives transactions.

The market risk arises from movements in variables determining the value of derivatives, such as interest rates and quoted prices. The credit risk is the loss that would arise if a counterparty were to default. This is related, however, to the market risk since the extent of the credit risk is in part determined by actual and expected market fluctuations. In calculating the credit risk shown in the table below, netting agreements and other collateral have not been taken into consideration.

Derivatives transactions *(in billions of euros)*

		Notional amounts			Total	Credit risk
		≤ 1 yr	1 yr - ≤ 5 yr	> 5 yr		
Interest rate contracts						
OTC	Swaps	428	543	409	1,380	26
	Forwards	181	6		187	
	Options	72	150	64	286	2
Exchange-traded	Futures	180	65		245	
	Options	345	5		350	
Currency contracts						
OTC	Swaps	59	101	42	202	6
	Forwards	432	47	1	480	8
	Options	53	2		55	1
Exchange-traded	Futures	2			2	
	Options	2			2	
Other contracts						
OTC	Forwards/Swaps	2	2		4	
	Options	12	16		28	2
Exchange traded	Futures	5			5	
	Options	14	7		21	
Total derivatives		1,787	944	516	3,247	45

The tables below give an indication of the notional amounts and (average) market values of the principal types of trading portfolio contracts and hedging portfolio contracts (i.e. contracts entered into as part of the bank's interest rate and exchange rate policies). Intercompany transactions between hedging and trading portfolios have not been eliminated from the figures.

Trading portfolio derivatives transactions in 2001 *(in billions of euros)*

	<i>Notional amounts</i>	<i>Market value</i>		<i>Average market value</i>	
		<i>Positive</i>	<i>Negative</i>	<i>Positive</i>	<i>Negative</i>
Interest rate contracts					
Swaps	1,524,582	27,889	25,284	23,198	18,754
Forwards	187,310	167	92	159	130
Options purchased	302,039	2,665		1,891	
Options sold	339,350		2,505		1,724
Futures	229,559				
Total interest rate contracts	2,582,840	30,721	27,881	25,248	20,608
Currency contracts					
Swaps	199,913	6,415	2,475	5,938	6,510
Forwards	488,541	8,172	6,488	8,933	7,933
Options purchased	24,975	566		506	
Options sold	28,770		3,420		592
Futures	1,140				
Total currency contracts	743,339	15,153	12,383	15,377	15,035
Other contracts					
Equity options purchased	24,811	2,005		198	
Equity options sold	24,925		3,252		974
Other equity and commodity contracts	8,938	280	79	990	1,072
Total other contracts	58,674	2,285	3,331	1,188	2,046

Trading portfolio derivatives transactions in 2000 *(in billions of euros)*

	<i>Notional amounts</i>	<i>Market value</i>		<i>Average market value</i>	
		<i>Positive</i>	<i>Negative</i>	<i>Positive</i>	<i>Negative</i>
Interest rate contracts	1,588,620	18,494	16,482	16,459	15,321
Currency contracts	640,008	17,828	17,734	17,543	16,375
Other contracts	78,648	1,278	3,043	2,044	3,605

Hedging portfolio derivatives transactions (in billions of euros)

	Notional amounts	2001 Market value Positive Negative	Notional amounts	2000 Market value Positive Negative
Interest rate contracts				
Swaps	226,865	2,885 4,197	125,138	2,295 2,377
Forwards	4,224	2 3	4,598	2 2
Options purchased	6,356	61	19,788	338
Futures	15,196		6,266	
Total interest rate contracts	252,641	2,948 4,200	155,790	2,635 2,379
Currency contracts				
Swaps	5,642	62 291	12,148	300 275
Forwards	21,465	413 284	16,000	295 223
Options purchased	933	9	6,107	103
Total currency contracts	28,040	484 575	34,255	698 498

Derivatives and capital adequacy requirements

In determining the capital adequacy requirement, both existing and future credit risk is taken into account. To this end the current potential loss, i.e. the positive replacement value based on market conditions at balance sheet date, is increased by a percentage of the relevant notional amounts, depending on the nature and remaining term of the contract. This method takes into account the possible adverse development of the positive replacement value during the remaining term of the contract. The analysis below shows the resulting credit equivalent, both unweighted and weighted for the counterparty risk (mainly banks). The figures allow for the downward impact of netting agreements and other collateral on risk exposure and capital adequacy.

Credit equivalent (in billions of euros)

	2001	2000
Interest rate contracts	38.7	25.4
Currency contracts	31.1	30.6
Other contracts	4.5	4.3
Effect of contractual netting	74.3 41.1	60.3 27.1
Unweighted credit equivalent	33.2	33.2
Weighted credit equivalent	10.0	9.7

25 Memorandum items

Apart from the memorandum items stated, non-quantified guarantees have been given for the bank's securities custody operations, for interbank bodies and institutions and for participating interests. Collective guarantee schemes are applicable to group companies in various countries. Furthermore, statements of liability have been issued for a number of group companies.

Legal proceedings have been initiated against ABN AMRO in a number of jurisdictions, but on the basis of information currently available, and having taken counsel with legal advisers, the Managing Board is of the opinion that the outcome of these proceedings is unlikely to have a material adverse effect on the consolidated financial position and the consolidated operations of ABN AMRO.

For 2002, investment in property and equipment is estimated at EUR 1.4 billion, of which ABN AMRO is already committed to an amount of EUR 210 million.

Though ABN AMRO has sold a part of its loan portfolio, partly through credit-enhanced or non-credit enhanced securitisation, it still holds legal title to some of these loans. In most cases these loans are also serviced by ABN AMRO. Besides, the bank services loans granted by other institutions. The table below states the outstandings at 31 December 2001.

Legal title to loans sold	616
Loans serviced for third parties	147,992
Loans sold with credit enhancement	2,993

Future rental commitments at 31 December 2001 for long-term lease contracts were as follows:

2002	300
2003	282
2004	258
2005	234
2006	216
Years after 2006	928

26 Net interest revenue

This item comprises interest revenue from loans, investments, other lending, interest expense on borrowings by ABN AMRO and client accounts, as well as the results from interest rate and foreign exchange contracts entered into for hedging purposes. Also included is other revenue from loans. Interest revenue from interest-earning securities amounted to EUR 6,624 million (2000: EUR 6,621 million). Interest expense on subordinated debt totalled EUR 961 million (2000: EUR 816 million).

27 Revenue from securities and participating interests

This item includes the share in net profit or loss of participating interests on which ABN AMRO exercises a significant influence. Also included are dividends received from shares and other participating interests, as well as the results from sales of shares from the investment portfolio and investments in participating interests insofar as these are not treated as value adjustments to financial fixed assets.

	2001	2000	1999
Revenue from shares and equity participations	75	130	119
Revenue from participating interests	380	321	238
Total revenue from securities and participating interests	455	451	357

28 Net commissions

This item includes revenue from securities brokerage, domestic and international payments, asset management, insurance, guarantees, leasing and other services. Amounts paid to third parties are shown as commission expense.

	2001	2000	1999
Securities brokerage	1,674	2,405	1,710
Payment services	1,394	1,385	1,176
Asset management and trust	885	712	560
Insurance	202	212	176
Guarantees	158	163	139
Leasing	179	158	123
Other	722	845	571
Total commissions	5,214	5,880	4,455

29 Results from financial transactions

This item includes results from securities trading, foreign exchange dealing and derivatives transactions. The category other includes trading in LDC debt securities, currency translation differences on investments – other than those included in tangible fixed assets – in branches, subsidiary and participating interests in hyperinflationary countries and result from private equity positions.

	2001	2000	1999
Securities trading	787	426	417
Foreign exchange dealing	486	570	499
Derivatives transactions	502	508	371
Other	(223)	65	87
Total result from financial transactions	1,552	1,569	1,374

30 Other revenue

This includes revenue from property development, other revenue from leasing activities and results from the insurance companies forming part of the group. The insurance companies achieved the following results:

	Life	Non-life
Net premium income	1,596	518
Investment income	(66)	73
Insurance expenses	(1,411)	(467)
Total result of insurance companies	119	124

31 Staff costs

	2001	2000	1999
Salaries <i>(including bonuses, etc.)</i>	5,981	5,754	4,516
Pension costs	208	187	140
Social insurance and other staff costs	1,464	1,519	1,112
Total staff costs	7,653	7,460	5,768
<i>Average number of employees (headcount):</i>			
Netherlands	36,630	38,476	36,976
Foreign countries	75,576	74,916	71,713
Total average number of employees (headcount)	112,206	113,392	108,689

32 Other administrative expenses

This item includes office overhead, automation costs, advertising costs and other general expenses.

ABN AMRO also leases premises and space in other buildings for its principal activities. The leases generally are renewable and provide for payment of rent and certain other occupancy expenses. Total rent expense for all contracts amounted to EUR 373 million in 2001, EUR 341 million in 2000 and EUR 262 million in 1999.

33 Depreciation

This item is made up of depreciation of buildings and equipment.

34 Provision for loan losses

This item includes provisions for uncollectable outstandings.

35 Addition to the fund for general banking risks

This item includes the addition to or release from the fund, management's intention being to maintain the fund at a level equal to approximately 0.5% of risk-weighted total assets.

36 Value adjustments to financial fixed assets

Financial fixed assets include the bond and equity investment portfolios and participating interests on which the bank does not exercise an influence. Diminutions in value of the bond investment portfolio may relate to a permanent deterioration of the debtor's quality. These diminutions in value and the diminutions in value below the purchase price of shares and participating interests on which no influence is exercised, together with amounts released in respect of earlier diminutions in value, are included in this item. Results from dispositions below purchase price are likewise treated as diminutions in value.

37 Taxes

The overall effective tax rate decreased from 28.0% in 2000 (26.7% including restructuring charge) to 27.6% in 2001 (21.4% including sale of EAB and restructuring charge).

	2001	2000	1999
Dutch tax rate	35.0%	35.0%	35.0%
Effect of tax rate in foreign countries	(5.1%)	(2.5%)	(1.3%)
Effect of tax-exempt revenue in the Netherlands	(2.0%)	(4.1%)	(3.1%)
Other	(0.3%)	(0.4%)	0.5%
Effective tax rate on operating profit	27.6%	28.0%	31.1%

Taxes amounted to EUR 946 million, including EUR 105 million (2000: EUR 187 million) in deferred tax liabilities. The total amount of taxation credited directly to shareholders' equity during the year amounted to EUR 406 million.

The provision for deferred tax liabilities relates to tax liabilities that will arise in the future owing to the difference between the book value of specific assets and liabilities and their valuation for tax purposes. The following analysis shows deferred tax liabilities and assets.

	2001	2000
Deferred tax liabilities		
Buildings	241	256
Pensions and other post-retirement and post-employment arrangements	324	228
Derivatives	118	165
Leases and similar financial contracts	470	490
Servicing rights	497	383
Other	803	570
Total	2,453	2,092
Deferred tax assets		
Allowances for loan losses	215	274
Investment portfolios	88	31
Carry-forward losses of foreign operations	708	639
Restructuring charge	42	134
Tax credits	682	301
Other	1,224	658
Deferred tax assets before valuation allowances	2,959	2,037
Less: valuation allowances	311	276
Deferred tax assets after valuation allowances	2,648	1,761

Deferred tax assets and liabilities are discounted to their net present value on the basis of net interest where the original term of the temporary difference is longer than five years. The nominal value of deferred tax assets amounts to EUR 2,770 million and of deferred tax liabilities to EUR 2,558 million. For discounted deferred tax assets the net interest rate applied as a discount factor is 7.8% and the average remaining life is nine years. For discounted deferred tax liabilities, the net interest rate applied as a discount factor is 4% and the average remaining life is 20 years.

Deferred tax assets are recognised, to the extent possible, net of a valuation allowance. The main component of the valuation allowance relates to tax carry-forward losses. The amount of deferred tax assets, likely to be recovered within one year, is EUR 381 million.

At 31 December 2001 carry-forward losses of foreign operations expire as follows:

2002	45
2003	205
2004	321
2005	120
2006	125
Years after 2006	1,419
Total	2,235

ABN AMRO considers a significant portion of its approximately EUR 4.5 billion in distributable invested capital to be permanently invested. If such capital were distributed no foreign income taxes would be required to be paid. The estimated impact of foreign withholding tax is EUR 135 million.

38 Extraordinary result

The sale of EAB in 2001 resulted in an extraordinary net profit of EUR 962 million.

In 2000 the Managing Board authorised a restructuring reserve of EUR 900 million in order to realise the new strategy and reorganisation into the Strategic Business Units. At the end of 2001 the composition and number of employees in the Netherlands that could opt for the voluntary departure scheme or early retirement scheme were finalised, resulting in an additional charge of EUR 147 million. Because of the non-recurring character of these schemes the costs are treated as extraordinary expenses.

Main elements of the charge relate to:

	2001	2000
Staff reduction	147	530
Write-off of assets		120
Other costs		250
Total	147	900

39 Minority interests

This item comprises the share of third parties in results from subsidiaries and other group companies, as well as dividends on preferred stock issued by subsidiaries in the United States.

	2001	2000	1999
Dividends on preference shares	217	245	209
Other minority interests	35	59	151
Total minority interests	252	304	360

40 Earnings per ordinary share

Basic earnings per share is computed by dividing income available to ordinary shareholders by the weighted average number of ordinary shares outstanding. Diluted earnings per ordinary share include the determinants of basic earnings per ordinary share and, in addition, the effect arising should all outstanding rights to ordinary shares be exercised. The computation of basic and diluted earnings per share are presented in the following table.

	2001	2000
Net profit	3,230	2,498
Dividends on preference shares	46	79
Net profit attributable to ordinary shareholders	3,184	2,419
Dividends on convertible preference shares	1	1
Fully diluted net profit	3,185	2,420
Weighted average number of ordinary shares outstanding <i>(in thousands)</i>	1,515.2	1,482.6
Dilutive effect of staff options <i>(in thousands)</i>	1.9	6.6
Convertible preference shares <i>(in thousands)</i>	2.7	3.2
Performance share plan <i>(in thousands)</i>	2.9	
Diluted number of ordinary shares <i>(in thousands)</i>	1,522.7	1,492.4
Basic earnings per share <i>(in euros)</i>	2.10	1.63
Fully diluted earnings per share <i>(in euros)</i>	2.09	1.62
Basic earnings per share excluding extraordinary items <i>(in euros)</i>	1.53	2.04
Fully diluted earnings per share excluding extraordinary items <i>(in euros)</i>	1.52	2.02

41 Segment information

In order to reflect the revised operating structure of ABN AMRO the segment information presented here is restated. A comparison with 1999 is not possible given the very nature of the structure in 1999 and the absence of comparable information broken along the current operating structure. The following tables give an analysis by operating segment. For the purpose of this analysis, net turnover represents total revenue before interest expense and commission expense. Indirect overheads have been allocated to the operating segments.

	2001	Net turnover 2000	1999	2001	Total revenue 2000	1999
Consumer & Commercial Clients	24,294	31,225		10,203	10,026	
Wholesale Clients	15,828	11,778		6,193	6,394	
Private Clients & Asset Management	1,970	2,738		1,419	1,451	
Corporate Centre	1,414	410		249	(30)	
ABN AMRO Lease Holding	43,506 830	46,151 800	35,681 713	18,064 770	17,841 628	14,975 552
Total	44,336	46,951	36,394	18,834	18,469	15,527

	2001	Operating profit before taxes 2000	1999	2001	Risk-weighted total assets 2000	1999
Consumer & Commercial Clients	2,347	2,605		158,141	157,385	
Wholesale Clients	328	1,114		95,171	88,451	
Private Clients & Asset Management	270	458		6,529	5,942	
Corporate Centre	441	399		3,530	2,973	
ABN AMRO Lease Holding	3,386 227	4,576 149	4,122 128	263,371 10,016	254,751 9,102	238,439 7,935
Total	3,613	4,725	4,250	273,387	263,853	246,374

	<i>Total liabilities</i>			<i>Total depreciation</i>		
	2001	2000	1999	2001	2000	1999
Consumer & Commercial Clients	240,177	217,168		657	659	
Wholesale Clients	275,797	249,376		225	207	
Private Clients & Asset Management	42,005	37,981		40	46	
Corporate Centre	18,184	16,462		3		
ABN AMRO Lease Holding	576,163	520,987	436,255	925	912	777
	4,857	4,372	4,697	32	29	23
Total	581,020	525,359	440,952	957	941	800

42 Managing Board and Supervisory Board

The following tables summarise financial data concerning current and former members of the Managing Board and Supervisory Board.

	<i>Managing Board</i>		<i>Supervisory Board</i>	
	2001	2000	2001	2000
Remuneration (<i>x EUR 1,000</i>)	14,641	13,029	617	592
ABN AMRO staff options (<i>outstanding</i>)	1,853,786	1,341,076	181,389	181,389 ¹
ABN AMRO shares (<i>owned</i>)	46,943	44,902	13,311	50,714
Loans (<i>outstanding x EUR 1,000</i>)	13,924	12,379	12,264	10,884

¹ Balance of the options granted to Mr P.J. Kalff during his membership of the Managing Board.

Of the overall remuneration of the Managing Board, EUR 8.7 million is related to salaries and bonuses. The analysis below provides information on salary and bonus of individual Board members. For the year 2001, the bonus was tied to the development of economic profit instead of the growth of earnings per share. This change was made in an attempt to create more variability as well as a closer link to the performance of ABN AMRO. In addition, the total remuneration reflects the accrual of EUR 4.9 million in severance compensation to the three departing members of the Managing Board.

Remuneration of the Managing Board *(in thousands of euros)*

	Salary	2001 Bonus	Total	Salary	2000 Bonus	Total
R.W.J. Groenink	889	356	1,245	641	908	1,549
R.W.F. van Tets	635	127	762	568	805	1,373
J.M. de Jong	635	286	921	568	805	1,373
W.G. Jiskoot	635	127	762	568	805	1,373
R.G.C. van den Brink	635	127	762	568	805	1,373
T. de Swaan	635	254	889	568	805	1,373
J.Ch.L. Kuiper	635	286	921	568	665	1,233
C.H.A. Collee ¹	635	286	921	331	235	566
S.A. Lires Rial ^{1,2}	635	127	762	331	470	801
H.Y. Scott-Barrett ^{1,2}	635	127	762	331	470	801
P.J. Kalff				243	344	587

¹ The salaries and bonuses of Messrs Collee, Lires Rial and Scott-Barrett for 2000 are the amounts earned from their appointment to the Managing Board on 1 June 2000.

² Besides their salaries, Messrs Lires Rial and Scott-Barrett received a foreigner allowance of EUR 454,000 in 2001 and EUR 265,000 each in 2000.

In addition to the aforementioned emoluments, the Managing Board members are also granted, as part of the overall remuneration package, options on ABN AMRO shares and a conditional share award. The analysis below provides information on option holdings of the Managing Board as a whole and of the individual Board members. The conditions governing the options are stated in note 16. On 1 January 2001, the Managing Board members received a conditional award of 70,000 shares, under the performance share plan, and the Chairman received a conditional award of 98,000 shares. The conditions governing the exact number of shares to vest are set by the Selection and Remuneration Committee of the Supervisory Board and are included in the Supervisory Board section on page 10.

	2001		2000	
	<i>Options held by Managing Board</i>	<i>Average exercise price (in euros)</i>	<i>Options held by Managing Board</i>	<i>Average exercise price (in euros)</i>
Movements:				
Opening balance	1,341,076	19.44	865,343	17.30
Options granted	552,710	23.14	482,124	21.30
Options exercised	(40,000)	10.16	(109,745)	13.64
Movement former and/or newly appointed members			103,354	22.46
Closing balance	1,853,786	20.74	1,341,076	19.44

	<i>Opening balance</i>	<i>Average exercise price (in euros)</i>	<i>Granted</i>	<i>Average exercise price (in euros)</i>	<i>Exercised</i>	<i>Average exercise price (in euros)</i>	<i>Closing balance</i>	<i>Average exercise price (in euros)</i>	<i>Last year of expiration</i>
R.W.J. Groenink	171,139	19.45	55,271	23.14			226,410	20.35	2008
R.W.F. van Tets	221,925	17.57	55,271	23.14	40,000	10.16	237,196	20.12	2008
J.M. de Jong	141,139	20.32	55,271	23.14			196,410	21.11	2008
W.G. Jiskoot	180,710	19.22	55,271	23.14			235,981	20.14	2008
R.G.C. van den Brink	180,710	19.22	55,271	23.14			235,981	20.14	2008
T. de Swaan	100,710	20.03	55,271	23.14			155,981	21.13	2008
J.Ch.L. Kuiper	88,000	20.28	55,271	23.14			143,271	21.38	2008
C.H.A. Collee	85,743	20.24	55,271	23.14			141,014	21.37	2008
S.A. Lires Rial	95,000	20.30	55,271	23.14			150,271	21.34	2008
H.Y. Scott-Barrett	76,000	20.46	55,271	23.14			131,271	21.59	2008

ABN AMRO ordinary shares held by members of the Managing Board ¹

	2001	2000
R.W.F. van Tets	41,243	39,448
W.G. Jiskoot	1,287	1,232
J.Ch.L. Kuiper	2,519	2,410
H.Y. Scott-Barrett	1,894	1,812
Total	46,943	44,902

¹ No preference shares or convertible preference shares were held by any Board member.

The analysis below provides information on remuneration of individual members of the Supervisory Board. Besides the Chairman, the Vice Chairman and the members of the Audit Committee members of the Supervisory Board receive the same remuneration, which depends on the period of membership during the year. The members of the Supervisory Board are not entitled to emoluments in the form of ABN AMRO shares or options on ABN AMRO shares.

Remuneration of the Supervisory Board (in thousands of euros)

	2001	2000
A.A. Loudon	54	54
H.B. van Liemt	45	41
W. Overmars	38	32
R.J. Nelissen ¹	16	32
W. Dik	41	38
J.M.H. van Engelshoven ¹	16	32
R. Hazelhoff ¹	16	36
S. Keehn ²	32	32
C.H. van der Hoeven	38	36
M.C. van Veen	38	41
A. Burgmans	38	41
D.R.J. Baron de Rothschild	32	32
Mrs L.S. Groenman	41	38
Mrs T.A. Maas-de Brouwer	32	21
P.J. Kalff	32	21
F.H. Fentener van Vlissingen ³		19

¹ Messrs Nelissen, Van Engelshoven and Hazelhoff retired on 10 May 2001.

² Besides his remuneration Mr Keehn received an attendance fee of EUR 40,000.

³ Mr Fentener van Vlissingen, Vice Chairman of the Supervisory Board, retired on 10 May 2000.

43 Cash flow statement

The cash flow statement gives details of the source of liquid funds which became available during the year and the application of the liquid funds over the course of the year. The cash flows are analysed into cash flows from operations/banking activities, investment activities and financing activities. Liquid funds include cash in hand, net credit balances on current accounts with other banks and net demand deposits with central banks. Movements in loans, total client accounts and interbank deposits are included in the cash flow from banking activities. Investment activities comprise purchases, sales and redemptions in respect of investment portfolios, as well as investments in and sales of participating interests, property and equipment. The issue of shares and the borrowing and repayment of long-term funds are treated as financing activities. Movements due to currency translation differences as well as the effects of the consolidation of acquisitions, where of material significance, are eliminated from the cash flow figures.

	2001	2000	1999
Cash	17,932	6,456	6,806
Bank balances (<i>debit</i>)	6,286	11,247	7,069
Bank balances (<i>credit</i>)	(10,565)	(1,598)	(1,404)
Liquid funds	13,653	16,105	12,471
Movements:			
Opening balance	16,105	12,471	7,686
Cash flow	(2,041)	3,530	4,154
Currency translation differences	(411)	104	631
Closing balance	13,653	16,105	12,471

Interest paid amounted to EUR 26,583 million; tax payments totalled EUR 538 million.

Dividends received from participating interests totalled EUR 37 million in 2001, EUR 28 million in 2000 and EUR 37 million in 1999.

The following table analyses movements resulting from acquisitions and dispositions.

	2001	2000	1999
Amounts paid/received in cash and cash equivalents on acquisitions/dispositions <i>(net)</i>	4,956	2,347	1,352
Net movement in cash and cash equivalents	(21)	55	(3)
Net movement in assets and liabilities:			
Banks	92	29	6
Loans	13,369	16,542	1,305
Securities	(4,002)	42	122
Other assets	2,818	1,211	75
Total assets	12,277	17,824	1,508
Subordinated debt		136	
Banks	(4,991)	10,551	41
Saving accounts	(3,798)		
Total client accounts	13,315	4,038	1,220
Debt securities	(497)	2,930	
Other liabilities	7,696	1,188	76
Total liabilities	11,725	18,843	1,337

44 Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in transactions between two parties, other than in a forced sale or liquidation, and is best reflected by a quoted market price, if available. Most of ABN AMRO's assets, liabilities and off-balance sheet items are financial instruments. Wherever possible, market rates have been used to determine fair values.

However, for the majority of financial instruments, principally loans, deposits and OTC derivatives, fair values are not readily available since there is no market where these instruments are traded. For these instruments estimation techniques have been used. These methods are subjective in nature and involve assumptions, such as the period the financial instruments will be held, the timing of future cash flows and the discount rate to be applied. As a result, the approximate fair values presented below may not be indicative of the net realisable value. In addition, the calculation of approximate fair values is based on market conditions at a specific point in time and may not reflect future fair values.

The approximate fair values as stated by financial institutions are not mutually comparable due to the wide range of different valuation techniques and the numerous estimates. The lack of an objective valuation method entails that approximate fair values are highly subjective. Therefore, readers should exercise caution in using the information disclosed in this note for comparing the consolidated financial position of ABN AMRO with that of other financial institutions.

	31 December 2001		31 December 2000	
	Book value	Fair value	Book value	Fair value
Assets (incl. off-balance sheet items)				
• Cash	17,932	17,932	6,456	6,456
• Short-dated government paper ^{1,2}	12,296	12,320	11,199	11,209
• Banks	49,619	49,654	48,581	48,602
• Loans to public sector	14,100	14,116	14,974	15,033
• Loans to private sector – commercial loans and professional securities transactions	220,869	222,899	203,317	204,498
• Loans to private sector – retail	110,361	112,299	100,975	102,493
• Interest-earning securities ^{1,3}	123,365	124,915	108,053	109,027
• Shares ⁴	16,794	16,636	17,787	17,754
• Derivatives	44,504	45,684	35,122	36,018
Total	609,840	616,455	546,464	551,090
Liabilities (incl. off-balance sheet items)				
• Banks	107,841	108,091	101,510	101,540
• Savings accounts	84,345	84,957	80,980	81,143
• Corporate deposits	88,579	88,399	79,283	79,103
• Other client accounts	139,440	137,979	119,286	119,286
• Debt securities	72,495	72,169	60,283	60,582
• Subordinated debt	16,283	16,648	13,405	13,586
• Derivatives	41,369	42,592	34,741	35,315
Total	550,352	550,835	489,488	490,555

¹ Book values of short-dated government paper and interest-earning securities are equal to amortised cost increased by premium (discount).

² Of which EUR 7,371 million was included in the trading portfolio at 31 December 2001.

³ Of which EUR 34,617 million was included in the trading portfolio at 31 December 2001.

⁴ Of which EUR 9,337 million was included in the trading portfolio at 31 December 2001.

45 Acquisitions

The following acquisitions were made in 2001:

<i>Acquired companies</i>	<i>%</i>	<i>Consider- ation paid</i>	<i>Total assets</i>	<i>Acquisition date</i>
Michigan National Corporation	100	3,145	13,585	Apr. 2001
Alleghany Asset Management	100	887	119	Febr. 2001
ING Barings	100	310	16,074	May 2001
Banque Générale du Commerce ¹	49	59	295	Dec. 2001
Banco do Estado da Paraiba S.A.	99.7	35	275	Nov. 2001
Marignan Investissements S.A.	100	75	309	July 2001
Mellon Credit Business	100	30	855	June 2001

¹ *Banque Générale du Commerce is not consolidated.*

Goodwill paid on these acquisitions has been charged directly to shareholders' equity.

Company balance sheet at 31 December 2001 after profit appropriation (in millions of euros)

	2001	2000
Assets		
Banks a	543	1,335
Interest-earning securities b	10	19
Participating interests in group companies c	11,153	11,874
Other assets d	664	728
Prepayments and accrued income e	82	71
	12,452	14,027
Liabilities		
Deposits and other client accounts	10	19
Other liabilities d	363	457
Accruals and deferred income e		13
	373	489
Subordinated debt	292	1,015
<i>Share capital</i>	1,677	1,676
<i>Share premium account</i>	2,504	2,517
<i>Revaluation reserves</i>	355	300
<i>Reserves prescribed by law and articles of association</i>	258	208
<i>Other reserves</i>	6,993	7,822
Shareholders' equity	11,787	12,523
Own capital	12,079	13,538
	12,452	14,027

Company income statement for 2001

(in millions of euros)

	2001	2000	1999
Profits of participating interests after taxes	3,218	2,494	2,566
Other profit after taxes	12	4	4
Net profit	3,230	2,498	2,570

Drawn up in accordance with section 2:402 of the Netherlands Civil Code.

Letters stated against items refer to the notes.

Notes to the company balance sheet and income statement (all amounts are in millions of euros)

a Banks

This item includes call loans to and other interbank relations with group companies. None of this exposure is subordinated (2000: EUR 738 million). An amount of EUR 227 million is due for redemption in 2002.

b Interest-earning securities

The amount included in this item represents securitised receivables, such as commercial paper.

c Participating interests in group companies

Dividends payable by ABN AMRO Bank N.V. to ABN AMRO Holding N.V. amounted to EUR 664 million (2000: EUR 728 million). Dividends received by ABN AMRO Bank N.V. from subsidiaries amounted to EUR 552 million (2000: EUR 475 million).

	2001	2000	1999
Development:			
Opening balance	11,874	11,481	10,233
Movements <i>(net)</i>	(721)	393	1,248
Closing balance	11,153	11,874	11,481

d Other assets and other liabilities

These items include those amounts which are not of an accrued or deferred nature or which cannot be classified with any other balance sheet item. This concerns, for example, taxes receivable or payable and dividends.

e Prepayments and accrued income and accruals and deferred income

These items include revenue and expenses recognised in the period under review but whose actual receipt or payment falls in a different period, as well as the total net difference between contract rates and spot rates on foreign exchange hedging operations.

f Share capital and reserves

For details refer to note 16.

g Guarantees

ABN AMRO Holding N.V. guarantees all liabilities of ABN AMRO Bank N.V.

Amsterdam, 22 March 2002

Supervisory Board

A.A. Loudon
H.B. van Liemt
W. Overmars
W. Dik
S. Keehn
C.H. van der Hoeven
M.C. van Veen
A. Burgmans
D.R.J. Baron de Rothschild
Mrs L.S. Groenman
Mrs T.A. Maas-de Brouwer
P.J. Kalff

Managing Board

R.W.J. Groenink
W.G. Jiskoot
T. de Swaan
J.Ch.L. Kuiper
C.H.A. Collee
S.A. Lires Rial
H.Y. Scott-Barrett

Major subsidiaries and participating interests

(unless otherwise stated, the bank's interest is 100% or almost 100%, on 22 March 2002)

ABN AMRO Bank N.V., Amsterdam

Netherlands

AAGUS Financial Services Group N.V.,
Amersfoort (67%)
AA Interfinance B.V., Amsterdam
ABN AMRO Bouwfonds N.V., Hoevelaken
(voting right 50%, equity participation 98%)
ABN AMRO Lease Holding N.V., Almere
ABN AMRO Levensverzekering N.V., Zwolle
ABN AMRO Participaties B.V., Amsterdam
ABN AMRO Projectontwikkeling B.V.,
Amsterdam
ABN AMRO Schadeverzekeringen N.V., Zwolle
Amstel Lease Maatschappij N.V., Utrecht
ABN AMRO Trustcompany (Nederland) B.V.,
Amsterdam
ABN AMRO Verzekeringen B.V., Zwolle
Consultas N.V., Zwolle
Dishcovery Catering B.V., Amsterdam
Dishcovery Horea Expl. Mij. B.V., Amsterdam
Hollandsche Bank-Unie N.V., Rotterdam
IFN Group B.V., Rotterdam
Nachenius, Tjeenk & Co. N.V., Amsterdam
Solveon Incasso B.V., Utrecht
Stater N.V., Hoevelaken
(60% ABN AMRO Bank N.V.,
40% ABN AMRO Bouwfonds N.V.)

Abroad

Europe

ABN AMRO Asset Management Ltd., London
ABN AMRO Asset Management (Czech) a.s.,
Brno
ABN AMRO Asset Management
(Deutschland) A.G., Frankfurt am Main
ABN AMRO Bank (Moscow), Moscow
ABN AMRO Bank (Deutschland) A.G.,
Frankfurt am Main
ABN AMRO Bank (Luxembourg) S.A.,
Luxembourg
ABN AMRO Bank (Polska) S.A., Warsaw
ABN AMRO Bank (Romania) S.A., Bukarest
ABN AMRO Bank (Schweiz) A.G., Zurich
ABN AMRO Corporate Finance Ltd., London
ABN AMRO Corporate Finance (Ireland) Ltd.,
Dublin
ABN AMRO Development Capital (UK) Ltd.,
London
ABN AMRO Equities (Spain) S.A. Sociedad
de Valores y Bolsa, Madrid
ABN AMRO Equities (UK), London

ABN AMRO France S.A., Paris
ABN AMRO Fixed Income (France) S.A.,
Paris
ABN AMRO Securities (France) S.A., Paris
Banque de Neufilze, Schlumberger,
Mallet S.A., Paris
Banque Odier Bungener Courvoisier, Paris
ABN AMRO Futures Ltd., London
ABN AMRO International Financial Services
Company, Dublin
ABN AMRO Investment Funds S.A.,
Luxembourg
ABN AMRO Leasing (Hellas) S.A., Athens
ABN AMRO Portföy Yönetimi A.S., Istanbul
ABN AMRO Securities (Polska) S.A., Warsaw
ABN AMRO Stockbrokers (Ireland) Ltd., Dublin
ABN AMRO Trust Company (Jersey) Ltd.,
St. Helier
ABN AMRO Trust Company (Luxembourg) S.A.,
Luxembourg
ABN AMRO Trust Company (Suisse) S.A.,
Geneva
Alfred Berg Holding A/B, Stockholm
Antonveneta ABN AMRO Societa di Gestione
del Risparmio SpA, Milan (50%)
Banca di Roma, Rome (10%)
Banque Finaref ABN AMRO, Paris (49%)
CM Capital Markets Brokerage S.A.,
Madrid (45%)
Kereskedelmi és Hitelbank Rt.,
Budapest (40%)

Africa

ABN AMRO Delta Asset Management (Egypt),
Cairo (59%)
ABN AMRO Delta Securities (Egypt),
Cairo (59%)

Middle East

Saudi Hollandi Bank, Riyadh (40%)

Rest of Asia

ABN AMRO Asia Ltd., Hong Kong
ABN AMRO Asia Corporate Finance Ltd.,
Hong Kong
ABN AMRO Asia Futures Ltd., Hong Kong
ABN AMRO Asia Securities Plc.,
Bangkok (40%)
ABN AMRO Asset Management (Asia) Ltd.,
Hong Kong
ABN AMRO Asset Management (Japan) Ltd.,
Tokyo

ABN AMRO Asset Management (Singapore) Ltd., Singapore
 ABN AMRO Asset Management (Taiwan) Ltd., Taipei
 ABN AMRO Bank Berhad, Kuala Lumpur
 ABN AMRO Bank (Kazakstan) Ltd., Almaty (51 %)
 ABN AMRO Bank N.B., Uzbekistan A.O., Tashkent (50 %)
 ABN AMRO Management Services (Hong Kong) Ltd., Hong Kong
 ABN AMRO Savings Bank, Manilla
 ABN AMRO Securities (India) Private Ltd., Bombay (75 %)
 ABN AMRO Securities (Far East) Ltd., Hong Kong
 ABN AMRO Securities (Japan) Ltd., Tokyo
 Bank of Asia, Bangkok (79 %)
 PT ABN AMRO Finance Indonesia, Jakarta (85 %)

Australia

ABN AMRO Asset Management (Australia) Ltd., Sydney
 ABN AMRO Australia Ltd., Sydney
 ABN AMRO Capital Markets (Australia) Ltd., Sydney
 ABN AMRO Corporate Finance Australia Ltd., Sydney
 ABN AMRO Equities Australia Ltd., Sydney

New Zealand

ABN AMRO New Zealand Ltd., Auckland
 ABN AMRO Equities NZ Ltd., Auckland

North America

ABN AMRO Bank Canada, Toronto
 ABN AMRO Bank (Mexico) S.A., Mexico City
 ABN AMRO North America Holding Company, Chicago (*holding company, voting right 100%, equity participation 60.8%*)
 LaSalle Bank N.A., Chicago
 Standard Federal Bank N.A. Troy
 ABN AMRO WCS Holding Company, Chicago
 ABN AMRO Inc., Chicago
 ABN AMRO Sage Corporation, Chicago
 ABN AMRO Securities LLC, New York
 ABN AMRO Asset Management Holdings, Inc., Chicago
 Montag & Caldwell, Inc., Atlanta

Latin America and the Caribbean

ABN AMRO Asset Management Ltda., São Paulo
 ABN AMRO Bank Asset Management (Curaçao) N.V., Willemstad
 ABN AMRO Bank (Chile) S.A., Santiago de Chile
 ABN AMRO Bank (Colombia) S.A., Bogota
 ABN AMRO (Chile) Seguros Generales S.A., Santiago de Chile
 ABN AMRO (Chile) Seguros de Vida S.A., Santiago de Chile
 ABN AMRO Securities (Argentina) Sociedad de Bolsa S.A., Buenos Aires
 ABN AMRO Trust Company (Curaçao) N.V., Willemstad
 Banco do Estado da Paraíba S.A., João Pessoa
 Banco do Estado de Pernambuco S.A., Recife (96.6%)
 Banco ABN AMRO Real S.A., São Paulo and João Pessoa (96.6%)
 Real Paraguaya de Seguros S.A., Asunción
 Real Previdência e Seguros S.A., São Paulo
 Real Seguros S.A., Bogota
 Real Uruguay de Seguros S.A., Montevideo

For the investments of ABN AMRO Lease Holding N.V. and ABN AMRO Bouwfonds N.V., the reader is referred to the separate annual reports published by these companies.

The list of participating interests for which statements of liability have been issued has been filed at the Amsterdam Chamber of Commerce.



Corporate Communications

An abstract painting featuring a large green circle at the top, a pink arch above it, and three vertical yellow strokes at the bottom. The background is a mix of light blue and white. The word 'Information' is written in a dark blue serif font across the middle of the image.

Auditors' report

Introduction

We have audited the financial statements of ABN AMRO Holding N.V., Amsterdam for the year 2001. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2001 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9, Book 2 of the Netherlands Civil Code.

Amsterdam, 22 March 2002

Ernst & Young Accountants

Stipulations of the articles of association with respect to profit appropriation

Profit is appropriated in accordance with article 38 of the articles of association. The main stipulations with respect to classes and series of shares currently in issue are as follows:

- 1** The holder of the priority share will be paid a dividend of EUR 0.13, representing 5.55% of the face value (article 38.2.a.).
- 2** The holders of preference shares will receive a dividend of EUR 0.12432 per share, representing 5.55% of the face value. As of 1 January 2011, and every ten years thereafter, the dividend will be adjusted in line with the average redemption yield on the five longest-dated government loans, plus an increment of no less than 0.25 percentage point and no more than one percentage point (article 38.2.b.2.).

The holders of convertible preference shares will receive a dividend of EUR 1.71529 per share, representing 6% of the amount paid on each share. As of 1 January 2004, and every ten years thereafter, the dividend on shares not converted by 31 October 2003 will be adjusted in line with the redemption yield on government loans with an original or remaining term to maturity of nine to ten years, plus an increment or less a reduction of no more than one percentage point (article 38.2.b.4. and b.3.). No profit distributions will be made to holders of preference shares and convertible preference shares in excess of the maxima defined above (article 38.2.b.6.).

- 3** From the profit remaining after these distributions, such appropriations will be made to reserves as may be determined by the Managing Board with the approval of the Supervisory Board (article 38.2.c.).

4 The balance then remaining will be paid out as ordinary share dividend (article 38.2.d.). The Managing Board can make the ordinary share dividend payable, at the shareholders' option, either in cash or entirely or partly in the form of ordinary or preference shares (article 38.3.).

Stipulations of the articles of association with respect to shares

Each ordinary share of EUR 0.56 face value in the capital of ABN AMRO Holding N.V. entitles the holder to cast one vote. The other shares in the capital have a face value of EUR 2.24 and are entitled to four votes. Subject to certain exceptions provided for by law or in the articles of association, resolutions are passed by an absolute majority of the votes cast.

However, one ordinary share requires a significantly larger investment than one preference share. This is related to the stock market price. To compensate for this difference, under normal circumstances¹ holders of depositary receipts for preference shares will have the opportunity to acquire voting rights in the meeting of shareholders by proxy in proportion to the economic value of a preference share against that of an ordinary share. The number of votes obtainable in this way is calculated using the following formula: total stock market value of depositary receipts held divided by the ordinary share price. The Stichting Administratiekantoor ABN AMRO Holding (the 'Foundation') will exercise the voting rights in respect of preference shares for which no proxies have been issued, again according to their economic value.

The executive Committee of the Foundation will decide separately for each meeting of shareholders whether to make voting proxies available. If the Foundation believes that extraordinary circumstances² prevail, it may choose not to issue voting proxies or to withdraw proxies issued earlier.

The rights of the holder of the priority share include the right to determine the number of members of the Managing Board, which may not be fewer than five according to the articles of association, and the number of members of the Supervisory Board, which may not be fewer than ten. The prior approval of the holder of the priority share is also required for resolutions to amend the articles of association or to dissolve the company.

The priority share is entitled to an annual distribution up to 6% of its face value. The priority share is held by Stichting Prioriteit ABN AMRO Holding, a foundation established in Amsterdam. The Executive Committee is made up of the members of the Supervisory and Managing Boards of ABN AMRO Holding N.V.

Given the numbers of the Supervisory Board and the Managing Board, being 12 and 7 respectively, the two Boards in their capacity of Executive Committee of the Stichting Prioriteit ABN AMRO Holding are of opinion that the requirement referred to in article C.9 of Appendix X to the Listing and Issuing Rules of Amsterdam Euronext N.V. has been satisfied. This means that Managing Board members do not control a majority of the votes to be cast at the Executive Committee's meetings.

Subject to certain exceptions, upon the issuance of ordinary shares and convertible preference shares, holders of ordinary shares have pre-emptive rights in proportion to their holdings. Upon the issuance of convertible

¹ Normal circumstances shall be understood to mean a situation where the independence and/or continuity of ABN AMRO Holding N.V. is not threatened.

² Extraordinary circumstances shall be understood to mean a situation where the independence and/or continuity of ABN AMRO Holding N.V. or its related companies is threatened. Examples include a public offer for the bank's shares or an imminent offer, or the existence of a substantial interest in the bank's capital without the approval of the Managing Board and the Supervisory Board.

preference shares, subject to certain limitations, holders of convertible preference shares have pre-emptive rights in proportion to their holdings.

In the event of the dissolution and liquidation of ABN AMRO Holding N.V., the assets remaining after payment of all debts are distributed first to the holder of the priority share, in an amount equal to the face value of the priority share, secondly to the holders of preference shares and convertible preference shares on a pro rata basis, in an amount equal to all dividends accrued from the beginning of the most recent full financial year through the date of payment and then the face value of the preference shares or the amount paid in on the convertible preference shares respectively, and thirdly to the holders of ordinary shares on a pro rata basis.

Proposed profit appropriation

Appropriation of net profit pursuant to article 38.2 and 38.3 of the articles of association

	<i>(in millions of euros)</i>		
	2001	2000	1999
Dividends on preference shares	45	78	78
Dividends on convertible preference shares	1	1	2
Addition to reserves	1,810	1,074	1,320
Dividends on ordinary shares	1,374	1,345	1,170
	3,230	2,498	2,570

Shareholders' equity and net profit under US GAAP

For NYSE listing purposes ABN AMRO also determines shareholders' equity and net profit in accordance with accounting principles generally accepted in the United States (US GAAP). The following is a summary of the main differences from accounting principles generally accepted in the Netherlands and the adjustments to shareholders' equity and net profit that would have been required if US GAAP had been applied in the preparation of the consolidated financial statements.

Goodwill and other acquired intangibles

Goodwill is capitalised and amortised on a straight-line basis over the estimated useful life. ABN AMRO applies a maximum of twenty years. When deemed necessary accelerated amortisation is realised for impairment.

Debt restructuring

Securities acquired as part of debt restructuring programmes, such as Brady bonds, are recorded at estimated market value at the balance sheet date.

Investment portfolio securities

All bonds and similar debt securities included in the investment portfolio are classified as 'available for sale' and stated at market value. Gains or losses on sales are taken to the income statement; unrealised valuation differences are accounted for in shareholders' equity.

Property

Bank premises are stated at cost and fully depreciated on a straight-line basis over their useful lives.

Pension costs

Actuarial computations are based on current and future compensation levels taking into account the market value of the assets of the pension funds and current interest rates.

Post-retirement benefits

The expected cost of post-retirement health care benefits to an employee and the employee's beneficiaries and covered dependants are accrued over the years of service.

Post-employment benefits

All contractual commitments after employment but before retirement are recognised when the rights are vested and the obligation is probable and quantifiable.

Employee incentive plans

Under Dutch GAAP conditional employee incentive plans are expensed over the vesting period while under US GAAP these plans are expensed on the vesting date.

Contingencies

Various provisions formed do not meet US formal standards (this is also applicable for the major part of the restructuring in 2000). For 2001 this restructuring charge could be fully taken into account.

Derivatives

All derivatives are recognised at their market value. Effective hedges offset the mark to market of the hedged item. All mark to market adjustments are reflected in earnings.

Mortgage servicing rights

The reconciling loss from Dutch GAAP to US GAAP relates mainly to a difference in the impairment reserve for servicing rights required under Dutch GAAP as compared to US GAAP. The provision required under US GAAP is higher than under Dutch GAAP due to the different basis for determining the carrying amount of servicing rights under SFAS 133.

Internal use software

Beginning 2001, under Dutch GAAP, internal costs incurred in connection with developing or obtaining software for internal use were

capitalised, similar to the US GAAP principle already applied. Costs previously capitalised under US GAAP will residually amortise so that within three years no difference remains.

Sale of participations

Because of a difference in book value between Dutch GAAP and US GAAP, including components of other comprehensive income, the profit on the sale of participations is different.

Deferred tax assets and liabilities

Deferred tax liabilities and deferred tax assets are computed on a non-discounted basis, using current tax rates. Where realisation depends on taxable profits in future years, deferred tax assets are included at estimated realisation value.

Dividends

Dividends are recognised in shareholders' equity until paid or approved by the General Meeting of Shareholders.

Reconciliation

The following table summarises the significant adjustments to ABN AMRO's consolidated shareholders' equity and net profit which would result from the application of US GAAP.

	Shareholders' equity		Net profit	
	2001	2000	2001	2000
Shareholders' equity and net profit under Dutch GAAP	11,787	12,523	3,230	2,498
Goodwill and other acquired intangibles	8,801	6,492	(1,112)	(422)
Debt restructuring	(130)	(111)		
Investment portfolio securities	1,445	1,102	129	(131)
Property	(152)	(151)	12	21
Pension costs	(551)	(244)	(307)	(196)
Post-retirement benefits	(91)	(72)	(19)	(17)
Post-employment benefits	(23)	(29)	6	9
Employee incentive plans	79		98	
Contingencies	52	880	(826)	741
Derivatives	278	122	(51)	232
Mortgage servicing rights	(97)		(97)	
Internal use software	213	340	(127)	183
Sale of participations			(57)	
Deferred taxes	(862)	(411)	(51)	(48)
Taxes	(251)	(673)	518	(300)
Dividends	358	454		
Shareholders' equity and net profit under US GAAP	20,856	20,222	1,346	2,570
Shareholders' equity per share under US GAAP	13.04	12.92		
Basic earnings per share under US GAAP			0.86	1.68
Diluted earnings per share under US GAAP			0.85	1.67

The Return on Equity under US GAAP decreased from 13.0% in 2000 to 6.6% in 2001.

ABN AMRO Holding N.V.

Supervisory Board			
<p>A.A. Loudon (65) * #, Chairman – 2002</p> <p>Former Chairman of the Board of Management of AKZO Nobel N.V.</p> <p>H.B. van Liemt (68) * #, Vice Chairman – 2002</p> <p>Former Chairman of the Managing Board of DSM N.V.</p> <p>W. Overmars (69) # – 2003</p> <p>Former Chairman of the Executive Board of Campina Melkunie B.V.</p> <p>W. Dik (63) # – 2005</p> <p>Former Chairman of the Board of Management of Royal KPN N.V., former State Secretary for Foreign Trade</p> <p>S. Keehn (71) – 2002</p> <p>Former President of the Federal Reserve Bank of Chicago</p> <p>C.H. van der Hoeven (54) # – 2005</p> <p>President and Chief Executive Officer of Royal Ahold N.V.</p> <p>M.C. van Veen (67) – 2005</p> <p>Former Chairman of the Board of Management of Koninklijke Hoogovens N.V.</p> <p>A. Burgmans (55) * – 2002</p> <p>Chairman of the Board of Unilever N.V.</p> <p>D.R.J. Baron de Rothschild (59) – 2003</p> <p>Senior partner Rothschild & Cie Banque, Deputy Chairman NM Rothschild Group (incl. NM Rothschild & Sons Ltd.)</p> <p>Mrs L.S. Groenman (61) # – 2003</p> <p>Crown member Sociaal-Economische Raad (SER)</p>	<p>Mrs T.A. Maas-de Brouwer (55) – 2004</p> <p>Hay Group bv</p> <p>P.J. Kalff (64) – 2004</p> <p>Former Chairman of the Managing Board ABN AMRO Holding N.V./ ABN AMRO Bank N.V.</p> <p><i>The numbers against each name are the age (in brackets) and the year of periodical resignation. A CV, including other important positions and nationality, is available at the company's offices.</i></p> <p><i>* Member of the Selection and Remuneration Committee</i></p> <p><i># Member of the Audit Committee</i></p>	<p>R. van Gelder BA</p> <p>Chairman of the Management Board of Royal Boskalis Westminster N.V.</p> <p>R. ter Haar</p> <p>Chairman of the Board of Management of Hagemeyer N.V.</p> <p>P.E. Hamming</p> <p>Chairman of the Board of Management of Royal Vendex KBB N.V.</p> <p>S.J. van Kesteren</p> <p>Chairman of the Board of Management of Draka Holding N.V.</p> <p>G-J. Kramer Msc</p> <p>President and CEO of Fugro N.V.</p>	<p>L.M. van Wijk</p> <p>President and CEO of KLM Royal Dutch Airlines</p> <p><i>Situation as at 2 April 2002</i></p>
	Managing Board		
	<p>R.W.J. Groenink (52), Chairman</p> <p>W.G. Jiskoot (51)</p> <p>T. de Swaan (56)</p> <p>J.Ch.L. Kuiper (54)</p> <p>C.H.A. Collee (49)</p> <p>S.A. Lires Rial (41)</p> <p>H.Y. Scott-Barrett (43)</p>	<p>F.L.V. Meysman</p> <p>Director and Executive Vice President of Sara Lee Corporation</p> <p>J.G.M. van Oijen</p> <p>Chairman of the Managing Board of Gamma Holding N.V.</p>	
	Company Secretary		
	<p>H. Duijn</p>	<p>A.A. Olijslager</p> <p>Chairman of the Board of Management of Friesland Coberco Dairy Foods B.V.</p>	<p>A.J. Scheepbouwer</p> <p>Chairman and CEO of the Board of Management of Royal KPN N.V.</p>
	Advisory Council		
	<p>J. Aalberts</p> <p>President and CEO of Aalberts Industries N.V.</p> <p>R.F. van den Bergh</p> <p>Chairman and CEO of VNU nv</p> <p>G.J. Doornbos</p> <p>Chairman of LTO Nederland</p>	<p>C.J.M. Stutterheim</p> <p>Chairman of the Board of CMG</p> <p>P.J.J.M. Swinkels</p> <p>CEO of Bavaria N.V.</p> <p>J.A.J. Vink</p> <p>Chairman of the Board of Management of CSM nv</p>	

Organisation ABN AMRO Bank N.V.

Managing Board	Consumer & Commercial Clients		Wholesale Clients	
<p>Chairman Rijkman Groenink</p> <p>Members Wilco Jiskoot Tom de Swaan Joost Kuiper Dolf Collee Sergio Lires Rial Hugh Scott-Barrett</p>	<p>Executive Committee Joost Kuiper (Chairman) Dolf Collee Joost Oyevaar Harry Tempest Floris Deckers Jan Peter Schmittmann Fabio Barbosa</p>	<p>Netherlands Floris Deckers</p> <p>Sales Leo Peeters Weem Corporate Clients Arnoud Rikkers Insurance Jan Berent Heukensfeldt Jansen Business Development Chris Vogelzang Credit/Risk Management Wietze Reehoorn CFO/COO Paul Loven Change Management Rob Mommers</p> <p>Brazil Fabio Barbosa</p> <p>Chief Commercial Officer Flamarion Nunes Insurance Julio Bierrenbach Consumer Finance Enilson Souza CFO/COO Michiel Kerbert Risk Management José Luiz Majolo</p> <p>New Growth Markets Jan Peter Schmittmann</p> <p>India Ramesh Sobti Greater China Jerry Letendre NGM Europe Paul Scholten Business Development Paul Lembrechts CFO/COO Jawaid Mirza</p>	<p>Executive Committee Wilco Jiskoot (Chairman) Sergio Lires Rial (Products) Hugh Scott-Barrett (Clients)</p>	<p>Clients Financial Institutions & Public Sector Samuel Zavatti Telecom, Media & Technology Alexandra Cook Automotive, Consumer & Diversified Industries Rob Meuter Integrated Energy, Chemical & Healthcare Lex Kloosterman</p> <p>Products Global Financial Markets Piero Overmars Loan Products Eltjo Kok Global Transaction Services Rob van Paridon Private Equity Gerben Kuyper Equities John Smith Corporate Finance Nigel Turner Change Management David Cole Technology, Operations & Property Services Ron Teerlink</p> <p>Risk, Compliance, Legal, Audit/Chief Risk Officer Jan Sijbrand CFO Marcel Polk Communication Marie-Christine Poulain</p>

Private Clients & Asset Management		Corporate Centre	
<p>Executive Committee</p> <p>Dolf Collee (Chairman)</p> <p>Tom Cross Brown</p> <p>Jan Peter Schmittmann</p>	<p>Private Clients</p> <p>Jan Peter Schmittmann</p> <p>Private Clients Netherlands Jos ter Avest</p> <p>Private Clients France Jean-Louis Milin</p> <p>Private Clients Europe Paul Scholten</p> <p>International Private Clients Reinout van Lennep</p> <p>CFO/COO Jawaid Mirza</p> <p>Business Development Paul Lembrechts</p> <p>Asset Management</p> <p>Tom Cross Brown</p> <p>Portfolio Management Andrew Fleming</p> <p>Business Development John Hartshorn</p> <p>Regional Director Amsterdam Pieter Croockewit</p> <p>CFO/COO Bert Schouws</p> <p>Trust Jos Kallen</p>	<p>Rijkman Groenink</p> <p>Tom de Swaan</p>	<p>Corporate Development</p> <p>Arnold van Os</p> <p>Corporate Communications</p> <p>Eric Bouwmeester</p> <p>Group Audit</p> <p>Evert van Dijk</p> <p>Group Finance</p> <p>Maurice Oostendorp</p> <p>Group Risk Management</p> <p>Herman Mulder</p> <p>Group Operations</p> <p>Gerard Hartsink</p> <p>Group Human Resources</p> <p>Garmt Louw</p> <p>Group Legal & Compliance</p> <p>Jaap Kamp</p> <p>Group Audit*</p> <p>Evert van Dijk</p> <p>Economics Department</p> <p>Robert van den Bosch</p> <p>* Managerial Issues</p> <p>Situation as at 2 April 2002</p> <p>CEO = Chief Executive Officer CFO = Chief Financial Officer COO = Chief Operating Officer</p>

Shareholders' Committee

The Shareholders' Committee is pleased to report on its activities in compliance with the provisions of article 9 of its regulations.

Pursuant to article 33 of the articles of association of ABN AMRO Holding N.V., the General Meeting of Shareholders is entitled to transfer to the committee the powers granted to it by law. The powers involve exclusively the appointment and dismissal of members of the Supervisory Board and Managing Board. The General Meeting of Shareholders may rescind such transfer at any time. On 10 May 2001, the current Shareholders' Committee received a one-year mandate.

The Committee was informed by a letter of 15 August 2001 of the resolution of the Managing Board, with the approval of the Supervisory Board, to reduce its number to seven members as early as this reporting year. The argument for the reduction was the good progress of the restructuring programme. Messrs R.W.F. van Tets, J.M. de Jong and R.G.C. van den Brink subsequently agreed to step down from the Managing Board as of 31 December 2001.

The Committee met on two occasions with the Chairmen of the Supervisory Board and Managing Board. At its first meeting, the Committee discussed the vacancies that will arise on the Supervisory Board on 2 May 2002. Messrs H.B. van Liemt and S. Keehn will step down from the Board, while the term of office of Messrs A.A. Loudon and A. Burgmans will expire.

The Committee noted that the latter two members were available for a further term on the Board and that, since the number of Supervisory Board Members was being reduced to 11, there was one vacancy. The curriculum vitae of Mr Arthur C. Martinez was presented to the Committee and was found to fit in excellently with the membership profile of the Supervisory Board. The Committee concurred in the nomination and decided not to exercise its right to nominate candidates for the Supervisory Board vacancies.

The Committee also discussed at length developments surrounding the proposed Structure Act and the committee's current role with regard to nominations for the Supervisory Board. Pending the completion of the amended Structure Act, it was decided to request the General Meeting of Shareholders of 2 May 2002 to extend the Committee's mandate for a term of one year.

At its second meeting the Committee resolved not to lodge any objection to the Supervisory Board's resolution to appoint the three candidates to its Board.

Amsterdam, 11 March 2002

Shareholders' Committee

Mrs W.H. van Bruggen-Gorter
A.C.M. Groeneveld
Mrs P.W. Kruseman
H.I. Möller
P.A. Wackie Eysten

Stichting Administratiekantoor ABN AMRO Holding

Stichting Administratiekantoor ABN AMRO Holding (the 'Foundation') holds and administers the registered preference shares of ABN AMRO Holding N.V. and issues depositary receipts against the shares entrusted to it. The depositary receipts may be exchanged for the underlying shares to a limited extent. The Executive Committee of the Foundation is pleased to report on its activities in compliance with article 14 of the Trust Conditions.

The Executive Committee met twice in 2001, and also attended the General Meeting of Shareholders. Items discussed at the Executive Committee meetings included the company's interim and annual results, the composition of the Managing Board and the agenda for the General Meeting of Shareholders. Administrative tasks were also carried out at these meetings. In addition, the Executive Committee was informed of the progress of the bank's strategic review and reorganisation.

For the General Meeting of Shareholders on 10 May 2001, the Executive Committee decided to make available proxy voting rights against preference shares to holders of depositary receipts. At the General Meeting of Shareholders 13.3% of the depositary receipts were represented. Depositary receipt holders received voting rights proportionally in accordance with the economic value of the preference shares against the ordinary shares. The Foundation's Executive Committee exercised in the same proportion the voting rights attached to the preference shares for which no proxies were issued.

On 2 January 2001, holders of depositary receipts were informed by advertised announcement that, in accordance with the articles of association of the company, the dividend percentage on the preference shares and depositary receipts for preference shares had been fixed at 5.55% for 10 years from 1 January 2001.

At the General Meeting of Shareholders held on 10 May 2001, the articles of association of the company were amended. One of the amendments involved the conversion of the face value of preference shares from NLG 5 to EUR 2.24. The Trust Conditions were adjusted accordingly.

On 31 December 2001, registered preference shares with a face value of EUR 811,902,488.32 were administered, against which an equal nominal amount of bearer depositary receipts had been issued.

The administration of the shares referred to above was carried out by the foundation's chief accountant, Administratiekantoor van het Algemeen Administratie- en Trustkantoor B.V., Amsterdam.

Amsterdam, 22 March 2002

Executive Committee

P. Schwencke, Chairman
A. Heeneman, Vice Chairman
R.W.J. Groenink, Secretary

Declaration of independence

The Managing Board of ABN AMRO Holding N.V. and the Executive Committee of Stichting Administratiekantoor ABN AMRO Holding hereby declare that in their joint opinion the requirements – referred to in Appendix X to the Listing and Issuing Rules of Euronext N.V. in Amsterdam concerning the independence of the members of the Executive Committee of Stichting Administratiekantoor ABN AMRO Holding – have been satisfied.

Amsterdam, 22 March 2002

ABN AMRO Holding N.V.

Managing Board

Stichting Administratiekantoor
ABN AMRO Holding
Executive Committee

Dutch Central Staff Council

The change in our bank from a broadly geographical structure to a global SBU structure, as set out in the Strategic Review, was an excellent test of the value of a participatory council.

In supporting the principal goals of the Strategic Review in 2000, the Central Staff Council (CSC) understood the importance of meeting the schedule for the implementation phase. The CSC showed foresight by having reached agreement with management in early December 2000 on issues concerning certainty of employment inside or outside the bank for employees.

During the setting up of the Strategic Business Units (SBUs), it was again a great advantage to have a staff council participate early in the process so it could exercise as much influence as possible. The plans for the implementation of the Strategic Review proved to be extensive and very complex. The CSC has met the challenge by establishing a project group consisting of one project team for each SBU. An external consultant was engaged to provide guidance.

Simultaneously, the introduction of a new client service concept in the Netherlands made us realise the magnitude of a possible quantitative and qualitative mismatch of staff members. Eventually it became clear that the new concept would imply a staff reduction of about 6,250 FTEs.

The CSC insisted that the social partners (employer and trade unions) should convene to work out an arrangement to prevent involuntary dismissals. Agreement was reached in May 2001 on a scheme that encouraged employees to leave the bank voluntarily and with higher payments than they might otherwise receive.

Soon afterwards, the CSC responded positively to the proposed implementation of the Strategic Review. The CSC also gave its views on the creation of an employability group within the bank to provide counselling and guidance for employees who could not meet the selection and matching criteria of the new sales organisation. It goes without saying that many employees of our bank in the

Netherlands and beyond were, and are, going through an emotional and uncertain period.

The CSC was informed in a timely manner of the proposed extension of tenure as members of the Supervisory Board of Messrs W.Dik, C.H. van der Hoeven, S. Keehn and M.C. van Veen. The CSC will continue to advocate that the composition of the Supervisory Board should reflect the heterogeneous character of ABN AMRO.

After the temporary increase in the membership of the Managing Board in 2000, we were notified of the departure of Messrs R.W.F. van Tets, J.M. de Jong and R.G.C. van den Brink from the Managing Board by the end of 2001.

The CSC met 11 times, mostly as scheduled, with the responsible member of the Managing Board. One or more members of the Supervisory Board attended and were asked to participate in these plenary meetings.

Although the implementation of the Strategic Review was prominent on the agenda, the CSC was also asked for its opinion on a number of other issues. The CSC's participation in these business-like discussions affirmed the influence of the council on the decision-making process.

At two meetings, the Chairman of the Managing Board dealt at length with questions concerning the 2000 annual figures and the 2001 interim figures. The forward-looking nature of the questions invited the chairman to respond with an openness which has become the hallmark of our bank's culture. Regular contact with members of the Supervisory Board was also encouraging and appreciated.

The CSC intends to continue to play its full part in promoting the prosperity of ABN AMRO and to uphold the vision that participatory councils worldwide will become a reality in the near future. We would like to express our appreciation, on behalf of all ABN AMRO's staff councils, of the climate of mutual trust pervading consultation with management.

Amsterdam, 28 December 2001
Central Staff Council

Curriculum Vitae of Mr Arthur C. Martinez

Education	1963-1965	Bachelor of Science in Mechanical Engineering, Polytechnic University, New York
	1963-1965	Master in Business Administration, Harvard University, Cambridge, Massachusetts
Employment	1995-2000	Chairman, President and Chief Executive Officer, Sears, Roebuck & Co., Inc., Chicago, Illinois
	1992-1995	Chairman and Chief Executive, Sears Merchandise Group
	1990-1992	Vice Chairman and Member of the Board of Directors, Saks Fifth Avenue, New York
	1986-1990	Senior Vice President and Group CEO (Retail), Member of the Board of Directors, BATUS, Inc., Louisville, Kentucky
	1984-1986	Executive Vice President, Administration, Saks Fifth Avenue, New York
	1980-1984	Senior Vice President and Chief Financial Officer, Saks Fifth Avenue, New York
	1970-1980	RCA Corporation, New York. Positions included: Vice President, International; Vice President, Finance; Director, Financial Planning
	1965-1970	Financial and strategic planning positions at International Paper and Exxon
Other		Member of the Board of Directors of Pepsico, International Flavors and Fragrances, Liz Claiborne and Martha Stewart Living
		Member of the Board of Directors of the Federal Reserve Bank of Chicago, Chairman 2000-2001
		Trustee of the Chicago Symphony Orchestra, the Art Institute of Chicago, Northwestern University
		Chairman of the Civic Committee of the City of Chicago, 1999-2001

Glossary

ADR

American Depositary Receipt: depositary receipts for shares of non-US-based companies that are traded in the US.

Asset Management

The professional management, including investment funds, of assets of private individuals and institutions aimed at the realisation of an optimal investment result.

BIS

Bank for International Settlements set up in 1930 with its head office in Basel. Its principal tasks are to promote cooperation between central banks and to assist in international payments. The BIS also issues recommendations to banks and regulatory authorities in the fields of risk management, capital adequacy and the provision of information on financial derivatives.

Bookrunner

Head of a securities syndicate responsible for arranging the subscription, allotment and after-market for all syndicate members.

Capital adequacy

Measure of a company's financial strength, often expressed in equity as a percentage of balance sheet total or – for banks – in the BIS ratio.

Commercial paper

Debt instrument issued by large companies with a term of 1 to 12 months.

Corporate finance

Activities in the fields of mergers, acquisitions, privatisations, advisory services and origination.

Credit equivalent

The sum of the costs of replacement transactions (when counterparties fail to fulfil their obligations) and the potential future credit risk, being reflected in a mark-up percentage on the principal of the contract. The mark-up percentage depends on the nature and remaining term of the contract.

Credit rating

The assessment of a credit rating agency expressed in a combination of letters and/or figures indicating the creditworthiness of a country, company or institution.

Currency risk

The price risk relating to exchange rate fluctuations.

Derivatives

Financial instruments whose value is derived from the price of one or several underlying assets (e.g. currencies, securities, indexes, etc.).

Economic profit

Net profit after tax less risk-adjusted cost of capital.

Forward exchange contract

Contract where the buyer purchases currency at a predetermined exchange rate on a fixed date.

GAAP

Generally accepted accounting principles.

Goodwill

Power of an established business to earn extra profits; it is an intangible asset the value of which is related to the advantage of an established business with respect to market position and/or know-how and organisation.

Interest rate risk

The degree to which fluctuations in long and short-term interest rates have a negative influence on the bank's result.

Joint venture

Cooperative venture between two or more separate legal entities.

Less Developed Country (LDC)

Country whose state of economic development is characterised by a low national income, a high rate of population growth and unemployment, and dependence on commodity exports.

Managing for Value

The instrument ABN AMRO uses for maximising value. Two relevant connected terms are economic profit and economic value.

Market risk

Risk relating to fluctuations in stock exchange prices and/or interest rates.

Net asset value per share

Value of all the assets of a company less loan capital and divided by the number of shares outstanding.

Notional amounts

The value of the principal of the underlying financial derivatives contracts.

Options (shares and currencies)

Contractual right to buy (call option) or sell (put option) a specified amount of underlying shares or currency at a fixed price during a specified period or on a specified date.

OTC

Over-the-counter trade in securities which does not take place on an official stock exchange and is not bound to a specific place or time.

Preference share

A share that receives a fixed rate of dividend prior to ordinary shares.

Private banking

Dedicated to the development and execution of the policy in relation to high net worth clients and small and medium-sized institutional investors.

Risk-weighted assets

Total assets calculated on the basis of the risks relating to the various balance sheet items.

Scenario analysis

Method used to measure and manage the interest rate risk, for instance. Using various assumptions about future interest rate movements, net interest revenue is estimated.

Securitisation

Restructuring credits in the form of marketable securities.

Structured finance

Global activity aimed at the extension of credits in specialised product/market combinations, development and marketing of complex financial solutions, export financing of capital goods and large-scale project finance.

Tier 1 ratio

Core capital of the bank expressed as a percentage of total risk-weighted assets. The minimum standard set by the Dutch central bank is 4%.

Total Return to Shareholders (TRS)

Share price appreciation plus dividend yield.

Treasury

Is responsible for all money market and currency operations.

Trust business

Assets are entrusted to a trustee who is responsible for the management of these assets.

Venture capital

Investment in the risk capital of businesses for the account and at the risk of the bank.

Volatility

A statistic measure for the degree to which market rates fluctuate over time.

Warrant

A document that gives the bearer the right to acquire a predetermined number of securities at an agreed price during a fixed period.

Safe Harbour Statement under the US Private Securities Litigation Reform Act of 1995

Certain of the statements contained herein that are not historical facts, including, without limitation, statements as to future net profit and operating expenses, are statements of future expectations and other forward-looking statements (as such term is defined in Section 21E of the US Securities Exchange Act of 1934, as amended) that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, (ii) performance of financial markets, (iii) interest rate levels, (iv) currency exchange rates, including the EUR-USD exchange rate, (v) changes in laws and regulations, including monetary convergence and the European Monetary Union, (vi) changes in the policies of central banks and/or foreign governments, (vii) cost overruns and (viii) competitive factors, in each case on a global, regional and/or national basis. ABN AMRO does not undertake to update any statements of future expectations or other forward-looking statements contained herein.

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ABN AMRO Holding N.V., having its registered office in Amsterdam, the Netherlands,
and entered in the Trade Register of the Amsterdam Chamber of Commerce under no. 33220369.

The bank consists of the listed company ABN AMRO Holding N.V., which conducts its
business almost entirely through its wholly-owned subsidiary ABN AMRO Bank N.V. or this
company's many subsidiaries.

This Annual Report has been illustrated by Milou Hermus exclusively for ABN AMRO.
Milou's work balances between the figurative and the abstract. A reality that is never obvious
and never gives away the clue. A creative, indirectly informative reality that carries conviction.

Acknowledgements

Layout: Eden Design & Communication, Amsterdam

Photography: pages 4/5 Mart Engelen, assistant: J.W. Kaldenbach, Amsterdam

Illustrations: Milou Hermus, Amsterdam, *photography illustrations:* Peter Hermus, Rotterdam

Colour separations: Bloem digital imaging bv, Wormer

Printed by: De Bussy Ellerman Harms BV, Amsterdam

Production: Corporate Communications ABN AMRO