BARCLAYS PLC
Form 6-K
April 23, 2007

Filed by Barclays PLC Pursuant to

Rule 425 under the Securities Act of 1933 and

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Securities Exchange Act of 1934

Subject Companies:

Barclays PLC

(Commission File No. 1-09246)

Barclays Bank PLC

(Commission File No. 1-10257)

ABN AMRO Holding N.V.

(Commission File No. 1-14624)

ABN AMRO Bank N.V.

(Commission File No. 1-14624-05)

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13A-16 OR 15D-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

23 April 2007

Barclays PLC and

Barclays Bank PLC

(Names of Registrants)

1 Churchill Place

London E14 5HP

England

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F x Form 40-F ¨

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ¨ No x

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

THIS REPORT ON FORM 6-K SHALL BE DEEMED TO BE INCORPORATED BY REFERENCE IN THE REGISTRATION STATEMENTS ON FORM F-3 (NOS. 333-126811, 333-85646 AND 333-12384) AND FORM S-8 (NOS. 333-112796, 333-112797) OF BARCLAYS BANK PLC AND THE REGISTRATION STATEMENT ON FORM S-8 (NO. 333-12818) OF BARCLAYS PLC AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FURNISHED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

This Report is a joint Report on Form 6-K filed by Barclays PLC and Barclays Bank PLC. All of the issued ordinary share capital of Barclays Bank PLC is owned by Barclays PLC.

Exhibit	**Item**
Exhibit 99.1	Barclays PLC and ABN AMRO Holding N.V. s joint press release, dated April 23, 2007
Exhibit 99.2	Barclays PLC unaudited pro forma condensed consolidated financial statements for the year ended and as at December 31, 2006 and notes thereto
Exhibit 99.3*	ABN AMRO Holding N.V. audited consolidated financial statements for the year ended and as at December 31, 2006 and notes thereto
Exhibit 99.4	Consent of Ernst & Young Accountants, Independent Registered Public Accounting Firm
Exhibit 99.5*	ABN AMRO Holding N.V. s press release containing summary of first quarter 2007 results, dated April 16, 2007

* Explanatory note to Exhibits 99.3 and 99.5:
The financial statements of ABN AMRO Holding N.V. in Exhibits 99.3 and 99.5 should be considered in the light of all of the disclosures in the Annual Report on Form 20-F of ABN AMRO Holding N.V. for the year ended December 31, 2006, including the disclosure under Item 4A. Unresolved Staff Comments at page 46 wherein ABN AMRO Holding N.V. states as follows:

Our reconciliation between IFRS and US GAAP, as set out in Note 50 to our consolidated financial statements, includes a reconciling item with respect to allowances for loan losses. This item lowers shareholders equity under US GAAP by EUR 540 million (net of tax EUR 346 million) for 2006 and by EUR 538 million (net of tax EUR 344 million) for 2005. The impact on net profit is a lower US GAAP income of EUR 58 million (net of tax EUR 37 million) in 2006 and a higher US GAAP net profit of EUR 99 million (net of tax EUR 65 million) in 2005.

We are currently in discussions with the SEC accounting staff with respect to an unresolved SEC comment. The SEC is inquiring as to the nature of the difference in the application of US GAAP and IFRS with respect to determining loan loss allowances given the similarity of the underlying accounting principles.

This is explained in more detail in Note 50. We understand that as required by US law, the SEC is consulting with both the OCC, the credit supervisor of our subsidiaries in the US, and the Board of Governors of the Federal Reserve. We also understand that the SEC is or will be consulting with European regulatory bodies such as the Authority for Financial Markets (AFM) and the Dutch Central Bank, as part of the IFRS convergence process.

Exhibit 99.1

Barclays PLC and ABN AMRO Holding N.V. s joint press release, dated April 23, 2007

This document shall not constitute an offer to sell or buy or the solicitation of an offer to buy or sell any securities, nor shall there be any sale or purchase of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The availability of the Offer to persons not resident in the United States, the Netherlands and the United Kingdom may be affected by the laws of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable requirements.

23 April 2007

For immediate release

ABN AMRO AND BARCLAYS ANNOUNCE AGREEMENT ON TERMS OF MERGER

The Managing Board and Supervisory Board of ABN AMRO Holding N.V. (ABN AMRO) and the Board of Directors of Barclays PLC (Barclays) jointly announce that agreement has been reached on the combination of ABN AMRO and Barclays. Each of the Boards has unanimously resolved to recommend the transaction to its respective shareholders. The holding company of the combined group will be called Barclays PLC.

The proposed merger of ABN AMRO and Barclays will create a strong and competitive combination for its clients with superior products and extensive distribution. The merged group is expected to generate significant and sustained future incremental earnings growth for shareholders.

The combination of ABN AMRO and Barclays will benefit from a diversified customer base and geographic mix. The proposed merger will create:

- A leading force in global retail and commercial banking, with world class products:
  - 47 million customers, approximately 90 per cent. of whom are in seven key markets
  - One of the world s leading transaction banking platforms offering world class payment and trade finance solutions
  - A top five card issuer outside the US with approximately 27m cards.

- A premier global investment bank that is a leader in risk management and financing with an enhanced product offering across a broader geographical footprint

- The world s largest institutional asset manager, with enhanced retail distribution capabilities and complementary products ensuring delivery of world class products and services to a wider customer base

- The world s eighth largest wealth manager, with a leading European onshore franchise and highly attractive positions in growth markets

Merger Highlights

The proposed merger will be implemented through an exchange offer pursuant to which ABN AMRO ordinary shareholders will receive 3.225 ordinary shares in Barclays (New Barclays Shares) for each existing ABN AMRO ordinary share (the Offer). Under the terms of the Offer, Barclays existing ordinary shareholders will own approximately 52 per cent. and ABN AMRO existing ordinary shareholders will own approximately 48 per cent. of the combined group

Based on the share price of Barclays ordinary shares on 20 April 2007, the Offer values each ABN AMRO ordinary share at 36.25 taking into account that ABN AMRO ordinary shareholders will be entitled to receive the declared 0.60 2006 final dividend. In addition, depending on the timetable to completion, ABN AMRO ordinary shareholders will also benefit from Barclays 2007 final dividend, which has a greater final dividend to total dividend weighting than ABN AMRO. The implied value of the Offer represents a premium for ABN AMRO shareholders of approximately:

33 per cent. to the share price of ABN AMRO ordinary shares on 16 March 2007, the last trading day prior to the announcement that ABN AMRO and Barclays were in talks

49 per cent. over the average share price of ABN AMRO ordinary shares in the 6 months up to and including to 16 March 2007

The combined group will have a UK corporate governance structure with a unitary Board. Arthur Martinez will be the Chairman, John Varley will be the Chief Executive Officer, and Bob Diamond will be President. The new board will initially consist of 10 members from Barclays and 9 members from ABN AMRO

Barclays will be the holding company for the combined group. The UK Financial Services Authority (FSA) and De Nederlandsche Bank (DNB) have agreed that the FSA will be the lead supervisor of the combined group

The head office of the combined group will be located in Amsterdam

ABN AMRO and Barclays estimate that the combination will result in annual pre-tax synergies of approximately 3.5bn by 2010, approximately 80 per cent. of which is expected to result from cost synergies and the remainder from revenue benefits. Capturing the expected synergies will assist the management of the combined group in achieving top quartile cost:income ratios across all businesses by 2010

Bank of America Corp has today agreed to acquire LaSalle Bank Corporation (LaSalle) for US$21 billion and is expected to complete this acquisition before completion of the Offer. The completion of the sale of LaSalle is a condition of the Offer. Taking into account the excess capital released by the sale of LaSalle approximately 12 billion is expected to be distributed to the shareholders of the combined group in a tax efficient form primarily through buy backs after completion of the Offer. The full value of the sale of LaSalle on these terms is reflected in the exchange ratio of the proposed merger. The combined group will continue to be a leading franchise in investment banking and investment management in the US. The combined group will continue to explore opportunities to develop its existing US businesses

It is expected that the proposed merger will lead to significant accretion in ABN AMRO s 2008 cash earnings per share for accepting ABN AMRO ordinary shareholders and is expected to be 5 per cent. accretive to Barclays cash earnings per share in 2010. The Board of Barclays expects that the return on investment will be approximately 13 per cent. in 2010.

The proposed merger is expected to complete during the fourth quarter of 2007

Current Trading

On 16 April 2007, ABN AMRO issued a trading statement announcing a strong improvement in the operating result, leading to a 30 per cent. increase in earnings per share from continuing operations compared to the first quarter of 2006.

Barclays profit before tax for the first quarter of 2007 was 15 per cent. ahead of the first quarter of 2006. Excluding gains from the sale and leaseback of property, profit before tax grew 10 per cent. Performance was particularly strong at Barclays Capital which had its best quarter ever. Barclays expects to announce its customary trading update on 24 May 2007.

Rijkman Groenink, the Chairman of the Managing Board of ABN AMRO, said:

This proposed merger fits well with our strategic objective to provide significant and sustained value for our shareholders. We believe that merging with Barclays will unite our significant complementary strengths and create long-term value for our shareholders. I am excited about the opportunities this merger brings and look forward to the next phase of ABN AMRO s future.

John Varley, the CEO of Barclays, said:

This proposed merger represents a unique opportunity to create a new competitive force in financial services, which will deliver benefits for our customers and clients and generate sustained growth and additional value for our owners. The proposed merger will significantly enhance stand-alone product development capabilities and distribution. Our combined geographic reach will ensure exposure to both developed and high growth developing economies.

The Managing Board and Supervisory Board of ABN AMRO consider that the Offer is in the best interests of ABN AMRO and all of its shareholders and have each unanimously resolved to recommend the Offer for acceptance by the shareholders of ABN AMRO.

ABN AMRO Bank N.V. (Corporate Finance), Lehman Brothers Europe Limited, Morgan Stanley & Co. Limited, N M Rothschild & Sons Limited and UBS Limited are acting as financial advisers to the Managing Board of ABN AMRO. Morgan Stanley & Co Limited and UBS Limited have each provided a fairness opinion to the Managing Board of ABN AMRO. Goldman Sachs International has provided a fairness opinion to the Supervisory Board of ABN AMRO.

The Board of Barclays, which has received financial advice from Barclays Capital, Citi, Credit Suisse, Deutsche Bank, JPMorgan Cazenove and Lazard (collectively, the Barclays Advisers) considers that the terms of the Offer are fair and reasonable. In providing their advice to the Board, the Barclays Advisers have relied upon the Board s commercial assessment of the Offer.

The Board of Barclays also considers the resolutions to be proposed in connection with the Offer to be in the best interests of Barclays and Barclays shareholders as a whole. Accordingly, the Board has resolved unanimously to recommend that Barclays shareholders vote in favour of such resolutions.

1. Compelling Strategic Rationale

The proposed combination of ABN AMRO and Barclays will create one of the world s leading universal banks. Both ABN AMRO and Barclays operate in a sector which is still fragmented in comparison to other global industries. Universal banking is the model best equipped for success in an industry where customer needs are converging and where demand-led growth will be significant across the globe. Harmonisation of customer needs is already well advanced in investment banking and investment management and is increasingly apparent in retail and commercial banking.

The proposed merger brings together two sets of high quality product capabilities and brands, which are well placed to create growth for shareholders from the relationship extension opportunities that exist in a combined base of 46 million personal and 1.4 million commercial customers.

The combined group will have a simple and transparent management structure. The management team will be clearly accountable for delivering sustained incremental earnings growth and value for shareholders by leading strong performance from the underlying businesses and by capturing the substantial synergies made available by the merger.

There will be two principal business groupings within the combined group, Global Retail and Commercial Banking (GRCB) and Investment Banking and Investment Management (IBIM). GRCB will be led by Frits Seegers, currently CEO of GRCB in Barclays. IBIM will be led by Bob Diamond, Barclays Group President.

Global Retail and Commercial Banking

ABN AMRO and Barclays bring together two sets of highly complementary geographies. Approximately 90 per cent. of the combined group s branches will be in seven countries. In Europe the combination will have leading franchises in the UK and the Netherlands and attractive positions in the Italian, Spanish and Portuguese markets. Additionally, the combination will have significant exposure to the high growth developing economies of Brazil and South Africa offering substantial revenue and profit growth opportunities. The combined group will also leverage on ABN AMRO s fast growing Asian business.

Customers will benefit from the enhanced product capabilities of the combined group drawing on, for example, ABN AMRO s global cash and payments infrastructure and Barclays expertise in credit cards.

ABN AMRO and Barclays are both recognised leaders in commercial banking. They both have substantial market positions in the mid-market segment. The merger will accelerate Barclays ambition to develop its business banking activities globally. The franchise will be further strengthened by the linkage between a strong investment banking product range and the track record of both ABN AMRO and Barclays in selling investment banking products to mid-market clients across the combined group s broad geographic footprint.

There is significant opportunity for increased cost efficiency through the optimisation of the operating infrastructure and processes.

Investment Banking

The combination of ABN AMRO and Barclays will support the ambition to be the premier global investment bank in risk management and financing through enhanced product expertise and broader geographic exposure. Barclays existing product capabilities will be considerably enhanced, particularly in commodities, FX, equities, M&A, corporate broking, structured credit and private equity and its geographic and client reach will also be extended significantly into Asia, Latin America and Continental Europe. The combined investment bank will operate on the Barclays Capital scaleable platform and will target an alignment to a top quartile cost:income ratio by 2010.

Wealth Management

The combination of ABN AMRO and Barclays will create the world s eighth largest wealth manager, with a leading European onshore franchise with leading positions in the Netherlands and UK, a strong European franchise across Germany, Belgium, France and Spain and attractive growing positions in Asia and Brazil. The product development capabilities of the combined asset management business together with an extensive distribution network will allow the merged business to benefit from favourable demographic trends and increasing demand-led client volumes.

Asset Management

The combined group will be the world s largest institutional asset manager. Barclays Global Investors world leading index-based, exchange traded fund and quantitative active capabilities will be complemented by ABN AMRO s active fundamental based capabilities. There are expanded opportunities for retail distribution of the current product set including BGI s rapidly growing iShares exchange traded funds.

2. Significant Cost Synergies and Revenue Benefits

Potential synergies arising from the combination have been assessed by a joint team from ABN AMRO and Barclays through a detailed bottom up approach involving business leaders from both banks. Capturing the expected synergies will assist the management of the combined group in achieving top quartile cost:income ratios across all businesses by 2010.

Below is a summary of the estimated pre-tax annual cost synergies and revenue benefits that are expected to be realised in the three calendar years commencing 2008.

m pre tax annual	2008e	2009e	2010e
Cost	870	2,080	2,800
Revenue	(470)		700
Total	400	2,080	3,500

The estimated 2010 annual pre-tax cost synergies are equivalent to approximately 9 per cent. of 2006 combined group costs excluding LaSalle and revenue benefits are equivalent to approximately 1 per cent. of combined group revenues excluding La Salle. Of the estimated cost synergies of 2,800m, approximately 57 per cent. relate to headcount rationalisation; 29 per cent. are derived from a reduction in IT and telecoms hardware, software and development spend; and the remaining 14 per cent. is derived from a number of sources including property and discretionary spend.

Global Retail and Commercial Banking

It is estimated that the pre-tax annual cost synergies in retail and commercial banking will be 1,650m in 2010, representing approximately 10 per cent. of the combined retail and commercial cost base excluding LaSalle. The cost synergies are expected to result from the consolidation of the retail and commercial banking activities into a universal banking model including:

- best practice off-shoring, improved procurement and real estate rationalisation
- the consolidation of data centres and supporting IT networks
- the use of ABN AMRO s trade and payments back office operations in the Barclays network and integration of card operations under Barclaycard
- the reduction of overlaps in management structures and the retail and commercial operations in the eight overlapping countries.

Revenue benefits are estimated to amount to at least 150m pre-tax in 2010, which is equivalent to 0.5 per cent. of combined revenues. These are expected to be primarily derived from extending ABN AMRO s broader cash management product offering, increasing ABN AMRO s revenue per credit card towards Barclays comparable levels and realising the network benefits of the increased global market presence.

Investment Banking

The estimated annual pre-tax cost synergies in investment banking in 2010 are expected to amount to approximately 850m. Pre-tax cost synergies are equivalent to 8 per cent. of combined costs. The cost synergies are expected to be derived from the integration of the two banks operations onto one operating platform and subsequent reduction of back office staff and non-staff cost.

It is estimated that revenue benefits, net of assumed revenue attrition, in investment banking in 2010 will be 500m pre-tax, equivalent to 3 per cent. of combined revenues. These benefits are expected to be derived from offering a stronger and broader product set to the combined client base and building on the productivity gains within ABN AMRO s investment banking operations. It is expected that, in addition to the revenue benefits, the combined business will continue to be able to deliver attractive organic growth consistent with Barclays Capital s existing prospects.

Other Synergies

It is estimated that further cost synergies of 200m will arise from the rationalisation of the two head offices and approximately 100m will arise from the reduction of overlap in wealth and asset management.

Further revenue benefits of approximately 50m are estimated to arise primarily in the wealth and asset management businesses as a result of the enhanced distribution capabilities of the combined group.

Integration Costs

The total pre-tax integration cost of realising the synergy benefits is estimated to be 3,600m of which approximately 2,160m is expected to be incurred in 2008, approximately 1,080m is expected to be incurred in 2009 and approximately 360m is expected to be incurred in 2010. Employee rights will be safeguarded under applicable law and any redundancies will be subject to the applicable process of employee consultation.

Overview of Headcount Rationalisation

ABN AMRO and Barclays have identified the possibility of rationalising the number of staff of the combined group through a combination of natural attrition, offshoring and outsourcing as well as redundancies. The rationalisation of headcount is expected to be implemented over 3 years following completion of the Offer.

The reduction in staff is a necessary part of the envisaged synergies from the combination of the two banks. Part of the expected staff reduction will be through establishing shared services and offshoring those positions to low cost locations, such as India where new staff will be recruited at ABN AMRO s existing ACES operations.

It is expected that the combination of Barclays and ABN AMRO will result in a net reduction in staff of approximately 12,800. In addition, it is expected that approximately 10,800 full-time equivalent positions will be offshored to low-cost locations. This will impact a gross total of approximately 23,600 full-time equivalent positions of the combined work force of approximately 217,000. (Barclays has c.123,000 employees, ABN AMRO c.94,000 excluding LaSalle.)

ABN AMRO and Barclays are aware of the fact that these measures can have difficult consequences for a number of staff. When it comes to matters affecting our staff, both ABN AMRO and Barclays have a good reputation and are committed to that reputation. ABN AMRO and Barclays will inform and consult with the appropriate employee representative bodies in the relevant countries and will seek all necessary regulatory consents before taking decisions in relation to these anticipated effects of the merger. ABN AMRO and Barclays will honour all agreements with their respective unions.

3. Board Composition

The combined group will have a UK corporate governance structure with a unitary Board. Arthur Martinez will be the Chairman, John Varley will be the CEO and Bob Diamond will be the President. Marcus Agius will become Deputy Chairman of the combined group and will remain Chairman of Barclays Bank plc. It is intended that he will succeed Arthur Martinez as Chairman of the combined group when Arthur Martinez retires. In addition to the Chairman and Deputy Chairman, there will be 12 non-executive directors, with 5 initially nominated by Barclays and 7 initially nominated by ABN AMRO. Rijkman Groenink, the current Chairman of the Managing Board of ABN AMRO will be one of the non-executive directors appointed by ABN AMRO. In addition to the CEO and President, the new Board will include Frits Seegers, Huibert Boumeester, and Chris Lucas as executive directors.

4. Management and Operating Model

The head office of the combined group will be located in Amsterdam. Management of the combined group will be the responsibility of a Group Executive Committee, which will be chaired by the Group CEO and will consist of:

- John Varley, Group Chief Executive
- Bob Diamond, Group President and CEO of IBIM
- Frits Seegers, CEO of GRCB
- Piero Overmars, CEO of Continental Europe and Asia, GRCB
- Ron Teerlink, Chief Operating Officer of GRCB
- Paul Idzik, Group Chief Operating Officer
- Chris Lucas, Group Finance Director
- Huibert Boumeester, Group Chief Administrative Officer

Wilco Jiskoot will become a Vice Chairman of Barclays Capital with senior responsibility for client relationships.

Investment Banking and Investment Management will be headquartered in London and will comprise:

- Barclays Capital which will incorporate Barclays Capital and ABN AMRO Global Markets and Global Clients and ABN AMRO Private Equity businesses
- Barclays Global Investors and ABN AMRO Asset Management
- Wealth Management which will incorporate Barclays Wealth and ABN AMRO Private Clients

Global Retail and Commercial Banking will be headquartered in Amsterdam and will incorporate the retail & commercial banking operations of the combined group, including:

- Barclays UK Retail Banking and UK Business Banking, International Retail and Commercial Banking and Barclaycard Operations
- ABN AMRO s Transaction Banking, BU Netherlands, BU Europe (ex Global Markets), Antonveneta, BU Latin America and BU Asia

5. Regulation and Tax

The FSA and DNB have agreed that the FSA will be lead supervisor of the combined group and that the DNB and FSA will be the consolidated supervisors of the ABN AMRO and Barclays groups respectively. The FSA and DNB will agree the detail of how the close working relationship between them will work to achieve effective supervision of the combined group.

Barclays, which will be the holding company for the combined group, will remain UK incorporated, and is expected to remain UK tax resident.

6. Capital Management and Dividend Policy

ABN AMRO Bank N.V. and Barclays Bank PLC will seek to maintain their strong credit ratings. The combined group will take a disciplined approach to capital optimisation and will target an Equity Tier 1 ratio of 5.75 per cent. and a Tier 1 ratio of 7.75 per cent., which broadly approximate to the current pro forma ratios for the combined group. It has been assumed, for the purpose of estimating financial effects, that excess equity over and above the target Equity Tier 1 ratio after accounting for dividends and organic growth in risk weighted assets would be returned to shareholders by way of share buybacks.

It is expected that the combined group will maintain Barclays and ABN AMRO s progressive dividend policy and that dividends per share will grow approximately in line with earnings per share over the longer term. With the combined group s annual dividend approximately twice covered by cash earnings, the management of the combined group believe that balance between income distribution to shareholders and earnings retention to fund growth is appropriate. It is also expected that the combined group will continue Barclays practice of weighting the annual dividend towards the final dividend to maintain flexibility. It is not expected that the dividends per share in 2008 will be materially different to the dividend Barclays would have expected to distribute to shareholders had the merger not occurred. The combined group will present financial statements in Euro and shareholders will be able to receive dividends in either Sterling or Euro.

7. Terms of the Offer

The Offer values each ABN AMRO ordinary share at 36.25 based on the share price of Barclays ordinary shares on 20 April 2007 taking into account that ABN AMRO ordinary shareholders will be entitled to receive the declared 0.60 2006 final dividend. In addition, depending on the timetable to completion, ABN AMRO ordinary shareholders will also benefit from Barclays 2007 final dividend, which has a greater final dividend to total dividend weighting than ABN AMRO.

Subject to the satisfaction or waiver of certain pre-Offer conditions, Barclays will make the Offer to ABN AMRO ordinary shareholders pursuant to which they will receive:

3.225 New Barclays Shares for every 1 ABN AMRO ordinary share

0.80625 New Barclays ADSs for every 1 ABN AMRO ADS

The total consideration equates to 67 billion and the implied value per ABN AMRO ordinary share represents a price to 2006 reported earnings multiple of 14.2 times and a price to 2006 book multiple of 2.8 times. The Offer represents a premium for ABN AMRO ordinary shareholders of approximately:

33 per cent. to the share price of ABN AMRO ordinary shares on 16 March 2007, the last trading day prior to the announcement that ABN AMRO and Barclays were in talks

49 per cent. over the average share price of ABN AMRO ordinary shares in the 6 months up to and including to 16 March 2007

Under the terms of the Offer, existing ABN AMRO ordinary shareholders will own approximately 48 per cent. of the issued ordinary share capital of the combined group and existing Barclays ordinary shareholders would own approximately 52 per cent. of the issued ordinary share capital of the combined group, assuming all of the ABN AMRO ordinary shares and ADSs currently in issue are tendered under the Offer.

It is expected the proposed merger will lead to significant accretion in ABN AMRO s cash earnings per share for accepting ABN AMRO ordinary shareholders on completion of the Offer. For accepting ABN AMRO ordinary shareholders, dividend income from their ownership of New Barclays Shares would have been 28 per cent. higher than the dividend income from their ABN AMRO ordinary shares on the basis of ABN AMRO and Barclays 2006 dividends. It is expected that the proposed merger will be 5 per cent. accretive to Barclays cash earnings per share in 2010. The directors of Barclays expect that the return on investment will be approximately 13 per cent. in 2010.

Barclays intends to put forward a proposal for all the depository receipts which represent the ABN AMRO convertible financing preference shares consistent with the terms of the prospectus dated 31 August 2004 relating to the ABN AMRO convertible financing preference shares. A cash offer will be made for the issued and outstanding formerly convertible preference shares of 27.65, the closing price on 20 April 2007. The aggregate consideration payable for the formerly convertible preference shares will be in the region of 1.2 million.

The members of ABN AMRO s Managing Board and Supervisory Board have each agreed to undertake to tender all ABN AMRO ordinary shares held by them under the Offer, such undertakings being revocable jointly with their recommendations.

It is intended that holders of options and awards under ABN AMRO share schemes will be offered the ability to exercise their options or awards or, where practicable, the opportunity to roll their awards over into shares of the combined group subject to certain terms.

8. The New Barclays Shares

Application will be made to the UKLA and the London Stock Exchange (LSE) for the New Barclays Shares to be admitted to the Official List and to trading on the LSE. Barclays will also apply for a secondary listing on Euronext Amsterdam N.V. s Eurolist by Euronext.

ABN AMRO and Barclays have received confirmation from the FTSE and Euronext that, following the Offer, the ordinary shares of the combined group are expected to qualify for inclusion with a full weighting in the UK Series of the FTSE indices including the FTSE 100 Index and in the AEX-Index (subject to the 15 per cent. maximum weighting).

It is expected that listing on the LSE will become effective and dealings, for normal settlement, will begin shortly following the date on which Barclays announces that all conditions to the Offer have been satisfied or waived. Listing on Euronext Amsterdam will become effective and dealings, for settlement through Euroclear Netherlands, will begin on or around the same date.

It is expected that applications will be made to list the New Barclays Shares and the new Barclays ADSs which represent such New Barclays Shares, on the New York Stock Exchange and also to list the New Barclays Shares on the Tokyo Stock Exchange. Further details on settlement, listing and dealing will be included in the Offer documentation.

The New Barclays Shares will be issued credited as fully paid and will rank pari passu in all respects with existing Barclays ordinary shares and will be entitled to all dividends and other distributions declared or paid by Barclays by reference to a record date on or after completion of the Offer but not otherwise. Barclays pays dividends semi-annually. It is expected that the record date for the interim dividend declared by Barclays in respect of 2007 will be before completion of the Offer. ABN AMRO shareholders are expected to be entitled to receive and retain the ABN AMRO interim dividend in respect of 2007 (expected to be paid on 27 August 2007).

Further details of the rights attaching to the New Barclays Shares and a description of any material differences between the rights attaching to those shares and the ABN AMRO ordinary shares will be set out in the Offer documentation.

9. Sale of LaSalle

Separate to this announcement, ABN AMRO today also announced the sale of LaSalle to Bank of America for US$21 billion in cash. ABN AMRO will retain its North American capital markets activities within its Global Markets unit and Global Clients divisions as well as its US Asset Management business. The sale of LaSalle is expected to be completed in Q4 2007 and is subject to regulatory approvals and other customary closing conditions. The agreement with Bank of America permits ABN AMRO to execute a similar agreement for a higher offer for the business for a period of 14 calendar days from 22 April 2007, permits Bank of America to match any higher offer and provides for a termination fee of US$200 million payable to Bank of America if the agreement is terminated under certain limited circumstances. The purchase price is subject to certain adjustments linked to the financial performance of LaSalle before the closing of the sale to Bank of America.

The consummation of the sale of LaSalle is an offer condition to the proposed merger. Taking into account the excess capital released by the sale of LaSalle approximately 12 billion is expected to be distributed to the shareholders in a tax efficient form, primarily through buy backs, after completion of the merger.

As at 31 December 2006, LaSalle had more than US$113 billion in tangible assets and a tangible book value of US$9.7 billion, adjusted for businesses retained and the previously announced sale of the mortgage operations unit and presented on a US GAAP basis. For the year ended 31 December 2006, LaSalle, presented on the same basis, had net income of US$1,035 million. On the basis of the above, the purchase price of US$21 billion represents a 2006 price to earnings multiple of 20.3 and a 2006 price to tangible book value multiple of 2.2.

10. The Merger Protocol

The expectation that ABN AMRO and Barclays would reach an agreement on the intended Offer was realised after meetings of the Barclays Board in London and the ABN AMRO Managing Board and Supervisory Board in Amsterdam. Following those meetings, ABN AMRO and Barclays entered into a merger protocol (the Merger Protocol).

The commencement of the Offer is subject to the satisfaction or waiver of certain pre-Offer conditions customary for transactions of this type and certain other pre-Offer conditions including those summarised in Appendix III. When made, the Offer will be subject to the satisfaction or waiver of certain Offer conditions customary for transactions of this type and certain other Offer conditions including those summarised in Appendix III.

The terms of the Merger Protocol restrict ABN AMRO from initiating or encouraging discussions or providing confidential information in relation to any proposal which may form an alternative to the Offer. However, ABN AMRO s Boards may withdraw their recommendation of the Offer if its Boards, acting in good faith and observing their fiduciary duties to best serve the interests of ABN AMRO and all its stakeholders, determine an alternative offer to be more beneficial than the Offer. ABN AMRO s Boards will not recommend a competing offer unless Barclays has first had the opportunity to make a revised proposal for ABN AMRO.

If the Merger Protocol is terminated as a result of material breach or withdrawal of recommendation then the other party must pay a break fee of 200m. Until such termination no other break fees can be agreed with third parties.

The exchange ratio of the Offer will be adjusted to reflect certain capital raisings or capital returns by either party prior to completion of the Offer. Any reduction in the price paid for La Salle below $21 billion will be treated as a capital return by ABN AMRO and the exchange ratio will be adjusted accordingly.

11. Process and Indicative Timetable

ABN AMRO and Barclays will seek to obtain all necessary regulatory and competition approvals and clearances and will complete all requisite employee consultation and information processes as soon as reasonably possible with a view to receiving the required regulatory, competition and other consents or approvals for the Offer.

As soon as reasonably practicable after the pre-Offer conditions have been satisfied or waived, the transaction documentation will be posted to shareholders, including Offer documentation to ABN AMRO shareholders and a circular to Barclays shareholders seeking approval for the transaction.

If the Offer is declared unconditional, it is intended that ABN AMRO s listings of ordinary shares and formerly convertible preference shares on Eurolist by Euronext Amsterdam N.V. will be terminated as soon as possible. Furthermore, subject to the necessary thresholds being reached, Barclays expects to initiate the squeeze out procedures permitted by law in order to acquire all ABN AMRO shares held by minority shareholders or take such other steps to terminate the listing and/or acquire shares not otherwise acquired by it, including effecting a legal merger if appropriate.

Indicative timetable

July 2007	Publication of Offer documentation, Prospectus and Barclays circular to shareholders
August 2007	Extraordinary General Meeting of Barclays shareholders to approve the Offer
August 2007	Extraordinary General Meeting of ABN AMRO shareholders to consider the Offer
Fourth Quarter 2007	Settlement of the Offer

The indicative time table is included for illustrative purposes only and may be subject to change. The timeframe between this announcement and the publication of the Offer documentation is primarily driven by anticipated regulatory requirements.

12. Advisors

Barclays Capital, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, JPMorgan Cazenove Limited and Lazard & Co., Limited are acting as financial advisers for Barclays. Clifford Chance LLP and Sullivan and Cromwell LLP are acting as legal advisers to Barclays.

ABN AMRO Bank N.V. (Corporate Finance), Lehman Brothers Europe Limited, Morgan Stanley & Co. Limited, N M Rothschild & Sons Limited and UBS Limited are acting as financial advisers for ABN AMRO. Goldman Sachs International is acting as exclusive financial adviser to the Supervisory Board of ABN AMRO. Nauta Dutilh N.V., Allen & Overy LLP and Davis Polk & Wardwell are acting as legal advisers to ABN AMRO.

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Investor, Analyst and Press Information

Barclays and ABN Amro Presentation to Analysts and Investors

Barclays and ABN AMRO today announced their agreement on a merger.

A meeting for analysts and institutional investors will be hosted by John Varley, Barclays Group Chief Executive, Rijkman Groenink, Chairman of the Managing Board of ABN AMRO and Chris Lucas, Barclays Group Finance Director. The details of the meeting are as follows:

Venue: 1 Churchill Place, Canary Wharf, London E14 5HP. The nearest station is Canary Wharf, Docklands Light Railway and Jubilee Line

Date & Time: 23 April 2.00pm 3.30pm (BST) (3.00pm 4.30pm (CET)) for a prompt start. Registration will commence at 1.30pm (BST) and coffee will be served.

Please note as seating is limited, it may be necessary to restrict the number of attendees from each institution.

Slide presentation packs will be available at www.investorrelations.barclays.com and at www.investor.abnamro.com shortly.

If you are unable to attend the meeting in person, you can listen through any of the following options:

a live **webcast** of the event is available at www.investorrelations.barclays.com and at www.investor.abnamro.com

a **live conference call** by dialling **0845 359 0170 (UK), 0800 022 9132 (NL)**

or **+44 (0)20 3003 2648 (all other locations)** and quoting Barclays Update .

The webcast and live conference call provide an opportunity to listen remotely (listen only mode) to the live presentation and join in the Q&A session. A **replay of the conference call** will be available by dialing **020 8196 1998 (UK), 0207 084 179 (NDL)** and **+44 (0) 20 8196 1998 (all other locations)** and entering the access code: **815886#**.

Barclays and ABN Amro Press Conferences

Barclays and ABN AMRO today will hold press conferences for members of the media in Amsterdam and London.

The press conferences which will be hosted by Rijkman Groenink, Chairman of the Managing Board of ABN AMRO and John Varley, Barclays Group Chief Executive. The details of the press conferences are as follows:

Amsterdam press conference:

Venue: Gustav Mahlerlaan 10, 1000 EA Amsterdam. The nearest railway and metro station is Amsterdam Zuid-WTC.

Time: 0900 (CET) (0800 BST)

London press conference:

Venue: 1 Churchill Place, Canary Wharf, London E14 5HP. The nearest station is Canary Wharf, Docklands Light Railway and Jubilee Line

Time: 1215 BST (1315 CET).

The press conferences can also be accessed through any of the following options:

a live webcast of the event is available at www.abnamro.com (Amsterdam Press Conference) and www.newsroom.barclays.com (UK press conference)

a live conference call by dialling 0845 301 4070 (UK), 0800 024 9997 (NL) or +44 (0)20 3003 2648 (all other locations) and quoting Barclays and ABN AMRO Press Conference Amsterdam or Barclays and ABN AMRO Press Conference London as appropriate.

There will be a separate conference call for Newswires:

Time: 0800 (CET) (0700 BST)

The dial in details are as follows and those participating will need to ask for the **Barclays and ABN AMRO Newswires call**

From the UK:	0845 359 0170
From the Netherlands:	0800 022 9132
From all other countries:	+44 20 3003 2648

The conference calls will be recorded and available for 4 weeks. Replay access details are shown below:

From the UK:	020 8196 1998
From the Netherlands:	0207 084 179
From all other countries:	+44 20 8196 1998

Newswires conference call replay PIN number:	509497#
Netherlands Press Conference replay PIN number:	101629#
UK Press Conference replay PIN number:	515286#

A video interview with John Varley, Group Chief Executive of Barclays, can be viewed on Barclays website www.barclays.com where it is also available in audio and transcript.

Enquiries:

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This announcement is a public announcement as defined in section 9b paragraph 2 subsection a and d of the Dutch Securities Markets Supervision Decree (*Besluit toezicht effectenverkeer 1995*).

About ABN AMRO

ABN AMRO is a prominent international bank with a clear focus on consumer and commercial clients in our local markets and focus globally on select multinational corporations and financial institutions, as well as private clients. ABN AMRO ranks eighth in Europe and 13th in the world based on total assets, with more than 4,500 branches in 53 countries, a staff of more than 105,000 full-time equivalents and total assets of EUR 987 billion (as at 31 December 2006). Pro forma 2006 attributable profits excluding LaSalle were 3,636m. Pro forma total assets excluding LaSalle were 901bn (as at 31 December 2006). Further information about ABN AMRO can be found on our website www.abnamro.com.

About Barclays

Barclays is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services with an extensive international presence in Europe, the USA, Africa and Asia. It is one of the largest financial services companies in the world by market capitalisation. With over 300 years of history and expertise in banking, Barclays operates in over 50 countries and employs 123,000 people. Barclays moves, lends, invests and protects money for over 27 million customers and clients worldwide. For further information about Barclays, please visit our website www.barclays.com.

Other information

Future SEC Filings and this Filing: Important Information

In connection with the proposed business combination transaction between ABN AMRO and Barclays, Barclays expects it will file with the SEC a Registration Statement on Form F-4, which will constitute a prospectus, as well as a Tender Offer Statement on Schedule TO and other relevant materials. In addition, ABN AMRO expects that it will file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 and other relevant materials. Such documents, however, are not currently available.

INVESTORS ARE URGED TO READ ANY DOCUMENTS REGARDING THE POTENTIAL TRANSACTION IF AND WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

Investors will be able to obtain a free copy of such filings without charge, at the SEC s website (http://www.sec.gov) once such documents are filed with the SEC. Copies of such documents may also be obtained from ABN AMRO and Barclays without charge, once they are filed with the SEC.

This document shall not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities in such a proposed transaction, nor shall there be any sale of such securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Forward Looking Statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to certain of ABN AMRO s and Barclays plans and their current goals and expectations relating to their future financial condition and performance and which involve a number of risks and uncertainties. ABN AMRO and Barclays caution readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as aim , anticipate , target , expect , estimate , intend , plan , goal , believe , or other words of similar meaning. Examples of forward-looking statements includ others, statements regarding the consummation of the business combination between ABN AMRO and Barclays within the expected timeframe and on the expected terms (if at all), the benefits of the business combination transaction involving ABN AMRO and Barclays, including the achievement of synergy targets, ABN AMRO s and Barclays future financial position, income growth, impairment charges, business strategy, projected costs and estimates of capital expenditure and revenue benefits, projected levels of growth in the banking and financial markets, the combined group s future financial and operating results, future financial position, projected costs and estimates of capital expenditures, and plans and objectives for future operations of ABN AMRO, Barclays and the combined group and other statements that are not historical fact. Additional risks and factors are identified in ABN AMRO and Barclays filings with the SEC including ABN AMRO and Barclays Annual Reports on Form 20-F for the fiscal year ending December 31, 2006, which are available on ABN AMRO s website at www.abnamro.com and Barclays website at www.barclays.com respectively, and on the SEC s website at www.sec.gov.

Any forward-looking statements made by or on behalf of ABN AMRO and Barclays speak only as of the date they are made. ABN AMRO and Barclays do not undertake to update forward-looking statements to reflect any changes in expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that ABN AMRO and Barclays have made or may make in documents they have filed or may file with the SEC.

Nothing in this announcement is intended, or is to be construed, as a profit forecast or to be interpreted to mean that earnings per ABN AMRO or Barclays share for the current or future financial years, or those of the combined group, will necessarily match or exceed the historical published earnings per ABN AMRO or Barclays share.

This document shall not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

The availability of the Offer to persons not resident in the United States, the Netherlands and the United Kingdom may be affected by the laws of the relevant jurisdictions (the Restricted Jurisdictions). Such persons should inform themselves about and observe any applicable requirements.

The Offer will not be made, directly or indirectly, in any Restricted Jurisdiction unless by means of lawful prior registration or qualification under the applicable laws of the Restricted Jurisdiction, or under an exemption from such requirements. Accordingly, copies of this announcement are not being, and must not be, mailed or otherwise distributed or sent in, into or from such Restricted Jurisdiction. Persons receiving this announcement (including, without limitation, custodians, nominees and trustees) must not distribute, mail or send it in, into or from any Restricted Jurisdiction, and so doing may render any purported acceptance of the Offer invalid.

The New Barclays Shares to be issued pursuant to the Offer have not been, and will not be, admitted to trading on any stock exchange other than the London Stock Exchange, Euronext Amsterdam, the New York Stock Exchange and the Tokyo Stock Exchange.

Barclays Capital, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as joint financial adviser to Barclays Bank PLC and Barclays PLC and is acting for no-one else in connection with the Offer, and will not be responsible to anyone other than Barclays Bank PLC and Barclays PLC for providing the protections afforded to customers of Barclays Capital nor for providing advice to any other person in relation to the Offer.

Citigroup Global Markets Limited (Citigroup), which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as joint financial adviser to Barclays Bank PLC and Barclays PLC and is acting for no-one else in connection with the Offer, and will not be responsible to anyone other than Barclays Bank PLC and Barclays PLC for providing the protections afforded to customers of Citigroup nor for providing advice to any other person in relation to the Offer.

Credit Suisse Securities (Europe) Limited (Credit Suisse), which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as joint financial adviser, joint sponsor and joint corporate broker to Barclays Bank PLC and Barclays PLC and is acting for no-one else in connection with the Offer, and will not be responsible to anyone other than Barclays Bank PLC and Barclays PLC for providing the protections afforded to customers of Credit Suisse nor for providing advice to any other person in relation to the Offer.

Deutsche Bank AG (Deutsche Bank), which is authorised under German Banking Law (competent authority: BaFin Federal Financial Supervising Authority) and with respect to UK commodity derivatives business by the Financial Services Authority; regulated by the Financial Services Authority for the conduct of UK business. Deutsche Bank is acting as joint financial adviser to Barclays Bank PLC and Barclays PLC and is acting for no-one else in connection with the Offer, and will not be responsible to anyone other than Barclays Bank PLC and Barclays PLC for providing the protections afforded to customers of Deutsche Bank nor for providing advice to any other person in relation to the Offer.

JPMorgan Cazenove Limited (JPMorgan Cazenove), which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as joint financial adviser, joint sponsor and joint corporate broker to Barclays Bank PLC and Barclays PLC and is acting for no-one else in connection with the Offer, and will not be responsible to anyone other than Barclays Bank PLC and Barclays PLC for providing the protections afforded to customers of JPMorgan Cazenove nor for providing advice to any other person in relation to the Offer.

Lazard & Co., Limted, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as joint financial adviser to Barclays Bank PLC and Barclays PLC and is acting for no-one else in connection with the Offer, and will not be responsible to anyone other than Barclays Bank PLC and Barclays PLC for providing the protections afforded to customers of Lazard nor for providing advice to any other person in relation to the Offer.

ABN AMRO Bank N.V. (Corporate Finance) is acting as financial adviser exclusively to ABN AMRO Holding N.V. and to no one else in connection with the Offer and will not regard any other person as a client in relation to the Offer and will not be responsible to anyone other than ABN AMRO Holding N.V. for providing the protections afforded to the clients of ABN AMRO Bank N.V. (Corporate Finance) nor for providing advice in relation to the Offer.

Lehman Brothers Europe Limited, which is regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for ABN AMRO Holding N.V. and no-one else in connection with the Offer and will not be responsible to anyone other than ABN AMRO Holding N.V. for providing the protections afforded to clients of Lehman Brothers Europe Limited nor for providing advice in relation to the Offer.

Morgan Stanley & Co. Limited is acting exclusively for ABN AMRO Holding N.V. and for no one else in connection with the Offer and will not be responsible to anyone other than ABN AMRO Holding N.V. for providing the protections afforded to clients of Morgan Stanley & Co. Limited nor for providing advice in relation to the Offer.

N M Rothschild & Sons Limited is acting as financial adviser exclusively to ABN AMRO Holding N.V. and to no one else in connection with the Offer and will not regard any other person as a client in relation to the Offer and will not be responsible to anyone other than ABN AMRO Holding N.V. for providing the protections afforded to the clients of N M Rothschild & Sons Limited nor for providing advice in relation to the Offer.

UBS Limited is acting as financial adviser exclusively to ABN AMRO Holding N.V. and to no one else in connection with the Offer and will not regard any other person as a client in relation to the Offer and will not be responsible to anyone other than ABN AMRO Holding N.V. for providing the protections afforded to the clients of UBS Limited nor for providing advice in relation to the Offer.

Goldman Sachs International, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser exclusively to the Supervisory Board of ABN AMRO Holding N.V. and to no one else in connection with the proposed merger and will not be responsible to anyone other than the Supervisory Board of ABN AMRO Holding N.V. for providing the protections afforded to the clients of Goldman Sachs International nor for providing advice in relation to the Offer.

This announcement is published in the Dutch and English language. The English version of the announcement is the only authentic text and shall prevail over the Dutch text in the event of any contradictions between the two versions.

APPENDIX I

Pro Forma Financial Information to be filed with the SEC

In addition, in order to satisfy its disclosure obligations under US securities laws Barclays expects to file today with the SEC a Current Report on Form 6-K which contains, among other things, certain pro forma financial information for Barclays relating to the proposed combination with ABN AMRO. ABN AMRO is also preparing to file with the SEC a Current Report on Form 6-K which contains certain pro forma financial information for ABN AMRO prepared in connection with the proposed sale of LaSalle to Bank of America. Both the Barclays and ABN AMRO Current Reports on Form 6-K will be available on the SEC s website at www.sec.gov.

The pro forma financial information to be filed with the SEC reflects certain assumptions about the proposed combination and includes appropriate adjustments to account for the events directly associated with the proposed combination, but does not include any potential revenue and cost synergies. If the proposed combination does occur, the pro forma financial adjustments, may be subject to material changes, including as a result of a final determination of the fair value of the consideration to be provided and the fair values of assets acquired and liabilities assumed.

APPENDIX II

Sources and Bases of Information

Save as otherwise stated, the following constitute the bases and sources of certain information referred to in this announcement:

1. The values placed on the entire issued ordinary share capital of ABN AMRO by the Offer and the proportion of the combined group which will be owned by ABN AMRO ordinary shareholders and Barclays ordinary shareholders are based on 1,852,448,094 ABN AMRO ordinary shares (as at 18 April 2007) and 6,542,555,046 Barclays ordinary shares in issue as at 20 April 2007.

2. The reference to significant and sustained future incremental earnings growth for shareholders of the combined group is not intended, nor should it be construed, as a profit forecast or be interpreted to mean that earnings per ABN AMRO or Barclays share for the current or future financial years, or those of the combined group, will necessarily match or exceed the historical published earnings per ABN AMRO or Barclays share.

3. References to the combined group s cash earnings are references to profit after tax and minority interests excluding the amortisation of the combined group s identifiable intangible assets and integration costs incurred in connection with the merger.

4. The available analysts median forecast of ABN AMRO s earnings for 2010 is 5394m. This has been adjusted to remove the proportion of earnings relating to the LaSalle business being disposed (the LaSalle business represents substantially all the profits of Business Unit North America (BUNA)). This proportion has been assumed to be 21.7% based on the average contribution forecast by analysts of 1052m to be made by BUNA to ABN AMRO s consensus forecast earnings of 4853m in 2009 (being the last year for which analysts split out the contribution of BUNA). This has then been used to calculate the expected return on investment for 2010. The calculation also takes into account interest income on retained capital, the potential cost synergies and revenue benefits arising from the merger, the associated restructuring cost and the consideration paid, less approximately 12bn distributed to shareholders taking into account the excess capital released by the sale of LaSalle. Neither the reference to ABN AMRO s earnings for 2010 nor the return on investment statement are intended, nor should they be construed, as a profit forecast or be interpreted to mean that earnings per ABN AMRO or Barclays share for the current or future financial years, or those of the combined group, will necessarily match or exceed the historical published earnings per ABN AMRO or Barclays share.

5. The total consideration of 67,151m is based on the closing price of Barclays ordinary shares on 20 April 2007.

6. The implied price to earnings multiple has been calculated using 2006 profit attributable to ABN AMRO shareholders of 4,715 million.

7. The implied price to book multiple has been calculated using equity attributable to ABN AMRO shareholders as at 31 December 2006 of 23,597 million.

8. All share prices quoted for ABN AMRO and Barclays shares are closing prices, derived from Reuters.

9. The exchange rate used in this announcement is 1.4739 : £1.00 as published in the Financial Times on 21 April 2007

10. The financial information relating to Barclays has been extracted from its consolidated audited annual accounts for the years to which such information relates and the interim unaudited financial statements for the relevant periods as published by Barclays, all of which are prepared in accordance with IFRS.

11. The financial information relating to ABN AMRO has been extracted from its consolidated audited annual accounts for the years to which such information relates and the interim and quarterly unaudited financial statements for the relevant periods as published by ABN AMRO for the relevant periods, all of which are prepared in accordance with IFRS.

APPENDIX III

Pre-offer Conditions

No material adverse change in respect of Barclays or ABN AMRO.

No third party has indicated an intention to take any frustrating action.

All necessary notifications, filings and applications in connection with the Offer have been made and all authorisations required to make the Offer have been obtained.

The authorisations required to complete the agreement with Bank of America to acquire LaSalle or a sale and purchase agreement with another party with respect to the acquisition of LaSalle have been obtained.

Barclays and ABN AMRO have received notification from each of the DNB and the FSA confirming that the FSA will be lead supervisor of the combined group and the DNB and the FSA will be the consolidated supervisors of the ABN AMRO and Barclays Groups respectively.

60 calendar days have passed following the date that Barclays application under Section 3 of the United States Bank Holding Company Act of 1956, if required, has been accepted for processing.

Clearances and confirmations from the relevant tax authorities in The Netherlands and the United Kingdom that Barclays will remain UK tax resident have been obtained.

All requisite employee consultations and information procedures with employee representative bodies of Barclays and ABN AMRO have been completed.

All requisite corporate action has been taken in connection with the appointment of certain individuals to the managing board and supervisory board of ABN AMRO Bank N.V., subject to and with effect as of the time the Offer is declared unconditional.

Neither party becoming subject to any materially burdensome regulatory condition.

There is no indication that the New Barclays Shares will not be admitted to the Official List of the UKLA, admitted to trading on the main market for listed securities of the LSE, authorised for listing on the LSE, Euronext Amsterdam and the Tokyo Stock Exchange and the New Barclays Shares, and Barclays ADSs representing such shares or a portion thereof have been approved for listing on the NYSE.

There has been no event, circumstance or series of linked events or circumstances that was not fairly disclosed in the annual reports and the annual accounts for 2006 of ABN AMRO and Barclays respectively or otherwise disclosed and that can reasonably be expected to have a negative impact on the consolidated operating income in 2006 of ABN AMRO or Barclays of 5 per cent. or more.

The Merger Protocol has not been terminated.

Offer Conditions

At least 80 per cent. of the issued ordinary shares of ABN AMRO have been tendered under the Offer or are otherwise held by Barclays.

No material adverse change in respect of Barclays or ABN AMRO.

No third party has indicated an intention to take any frustrating action.

All necessary filings, notifications, and applications in connection with the Offer have been made and all authorisations and consents have been obtained and relevant waiting periods have expired.

The agreement with Bank of America to acquire LaSalle has completed in accordance with its terms or a sale and purchase agreement with another party with respect to sale of LaSalle has completed in accordance with its terms.

The competent regulatory authorities in the Netherlands have given their declaration of no objection and the FSA has notified its approval of each person who will acquire control over any United Kingdom authorised person which is a member of the combined group or the relevant waiting period has expired.

Barclays and ABN AMRO have received confirmation from the DNB that it has no objection to the parties proposal for the composition of the Managing Board and Supervisory Board of ABN AMRO Bank N.V. and the FSA has approved the appointment of certain nominated individuals to the board of directors of Barclays Bank PLC following consummation of the Offer.

The European Commission has declared the Offer compatible with the common market or has granted its approval to the Offer and the applicable waiting period under the HSR Act in relation to the Offer has expired or been terminated.

Neither Barclays nor ABN AMRO has received any notification from the DNB or the FSA that there is likely to be a change in the supervisory, reporting or regulatory capital arrangements that will apply to the combined group.

The tax clearances from the relevant UK and Dutch tax authorities have not been withdrawn or amended.

Confirmation has been given that the New Barclays Shares will be admitted to the Official List of the UKLA, admitted to trading on the main market for listed securities on the Official List of the LSE, authorised for listing on Euronext Amsterdam and the Tokyo Stock Exchange and the New Barclays Shares and the Barclays ADS representing such shares or a portion thereof have been approved for listing on the NYSE.

The general meetings of shareholders of ABN AMRO and Barclays have passed all agreed or required resolutions.

There has been no event, circumstance or series of linked events or circumstances that was not fairly disclosed in the annual reports and the annual accounts for 2006 of ABN AMRO and Barclays respectively or otherwise disclosed and that can reasonably be expected to have a negative impact on the consolidated operating income in 2006 of ABN AMRO or Barclays of 5 per cent. or more.

The Merger Protocol has not been terminated.

Exhibit 99.2

Barclays PLC unaudited pro forma condensed consolidated financial statements for the year ended and as at December 31, 2006 and notes thereto

Exhibit 99_2

Barclays PLC

Unaudited Pro Forma Combined

Condensed Financial Information

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Future SEC Filings and this Filing: Important Information

In connection with the proposed transaction between Barclays PLC and ABN AMRO Holding N.V. described herein, Barclays expects it will file with the Securities and Exchange Commission (the SEC) a Registration Statement on Form F-4, which will constitute a prospectus, as well as a Tender Offer Statement on Schedule TO and other relevant materials. In addition, ABN AMRO expects that it will file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 and other relevant materials. Such documents, however, are not currently available. INVESTORS ARE URGED TO READ ANY DOCUMENTS REGARDING THE POTENTIAL TRANSACTION IF AND WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors will be able to obtain a free copy of such filings without charge, at the SEC s website (http://www.sec.gov) once such documents are filed with the SEC. Copies of such documents may also be obtained from Barclays and ABN AMRO, without charge, once they are filed with the SEC. This filing shall not constitute an offer to sell or the solicitation of an offer to buy or sell any securities in such a proposed transaction, nor shall there be any sale of any such securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Current Report on Form 6-K is being filed in connection with the disclosure requirements applicable to Barclays Bank PLC s shelf registration. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Pro Forma Financial Information

As described in more detail herein, this document contains unaudited pro forma financial information as at, and for the year ended, 31st December 2006, which is based on the historical financial statements of Barclays PLC and ABN AMRO Holding N.V. after giving effect to the proposed transaction between Barclays PLC and ABN AMRO Holding N.V. The pro forma financial information has been prepared on the basis of estimates and assumptions which are preliminary and from information which is publicly available only. The pro forma financial information does not represent what the Barclays PLC consolidated financial position or income statement would actually have been if the proposed transaction had in fact occurred on the dates indicated or predict the Barclays PLC financial position or income statement as of any future date or for any future period. Consequently, investors are cautioned not to place undue reliance on the pro forma financial information. Furthermore, there can be no certainty that the proposed transaction will be completed in the manner described herein, if at all.

Forward-looking statements

This document contains certain forward-looking statements within the meaning of section 21E of the US Securities Exchange Act of 1934, as amended, and section 27A of the US Securities Act of 1933, as amended, with respect to certain of Barclays and ABN AMRO s plans and their current goals and expectations relating to their future financial condition and performance and which involve a number of risks and uncertainties. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as aim , anticipate , target , expect , estimate , intend , plan , goal , believe , or oth similar meaning. Examples of forward-looking statements include, among others, statements regarding the consummation of the business combination between ABN AMRO and Barclays within the expected timeframe and on the expected terms (if at all), the benefits of the business combination transaction involving ABN AMRO and Barclays, including the achievement of synergy targets, ABN AMRO s and Barclays future financial position, income growth, impairment charges, business strategy, projected costs and estimates of capital expenditure and revenue benefits, projected levels of growth in the banking and financial markets, the combined group s future financial and operating results, future financial position, projected costs and estimates of capital expenditures, and plans and objectives for future operations of ABN AMRO,.Barclays and the combined group and other statements that are not historical facts. Additional risks and factors are identified in ABN AMRO and Barclays filings with the SEC including ABN AMRO and Barclays Annual Reports on Form 20-F for the fiscal year ended 31st December 2006, which are available on ABN AMRO s website at www.abnamro.com and Barclays website at www.barclays.com respectively, and on the SEC s website at www.sec.gov.

Any forward-looking statements made herein speak only as of the date they are made. Barclays does not undertake to update forward-looking statements to reflect any changes in expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Barclays or ABN AMRO have made or may make in documents they have filed or may file with the SEC.

Unaudited Pro Forma Combined Condensed Financial Information

Introduction

Barclays PLC has a wide public shareholder base and its ordinary shares are listed on the London Stock Exchange, the Tokyo Stock Exchange and the New York Stock Exchange (in the form of American Depositary Shares evidenced by American Depositary Receipts). Barclays PLC is the holding company of Barclays Bank PLC and is the beneficial owner of all the ordinary shares of Barclays Bank PLC. Barclays Bank PLC conducts banking activities, is the holding company for all other subsidiaries in the Barclays Group and issues debt securities and preference shares.

Barclays Bank PLC has a shelf registration in the US pursuant to which it may issue debt and equity securities to US investors. In order to use this shelf registration on a continuous basis, Barclays Bank PLC is subject to the ongoing disclosure requirements of the U.S. Securities and Exchange Commission (SEC).

On 19th March 2007, Barclays PLC and ABN AMRO Holding N.V. announced that they were in exclusive preliminary discussions with regard to a potential combination of the two organisations.

On 22nd April 2007, the Board of Directors of Barclays PLC unanimously resolved to make an exchange offer for 100% of ABN AMRO Holding N.V. ordinary shares, with consideration in the form of Barclays PLC ordinary shares, with 3.225 of Barclays PLC ordinary shares to be exchanged for each ordinary share in ABN AMRO Holding N.V. A condition of this offer is that ABN AMRO Holding N.V. will complete a sale of LaSalle Bank Corporation (LaSalle) (excluding its North American capital markets activities within its Global Markets unit and Global Clients division as well as its US Asset Management business) to Bank of America Corporation for $21 billion.

Under Rule 3-05 and Article 11 of Regulation S-X promulgated by the SEC, the completion of the exchange offer in respect of such a combination would be deemed to be significant in nature for Barclays and the regulation requires certain information to be filed with the SEC at the time such a combination becomes probable . Barclays Bank PLC is amending its shelf registration to include:

- Historical financial statements of ABN AMRO Holding N.V. through the incorporation by reference of the audited financial statements of ABN AMRO Holding N.V. from its Annual Report on Form 20-F filed on 2nd April 2007; and

- Unaudited combined condensed pro forma financial information of Barclays PLC to give effect to the proposed combination.

Investors should note that the combination having become probable for the purposes of Regulation S-X does not indicate that the combination is certain to occur.

The following unaudited pro forma combined condensed balance sheet as at, and unaudited pro forma combined condensed income statement for the year ended, 31st December 2006 and the notes thereto (together, the pro forma financial information) are based on the historical financial statements of Barclays PLC and ABN AMRO Holding N.V. after giving effect to the proposed combination using the purchase method of accounting by applying the estimates, assumptions and adjustments described in the accompanying notes to the pro forma financial information.

The historical financial statements of both Barclays PLC and ABN AMRO Holding N.V. for 2006 have been prepared in accordance with IFRS and reconciled to US GAAP.

For the purposes of the preparation of the pro forma financial information:

- The consolidated balance sheet of Barclays PLC at 31st December 2006 has been combined with the consolidated balance sheet of ABN AMRO Holding N.V. at 31st December 2006, both of which are prepared in accordance with IFRS and reconciled to US GAAP, as if the proposed combination giving effect to the partial sale of LaSalle had occurred on 31st December 2006;

The consolidated income statement of Barclays PLC for the year ended 31st December 2006 has been combined with the consolidated income statement of ABN AMRO Holding N.V. for the year ended 31st December 2006, both of which are prepared in accordance with IFRS and reconciled to US GAAP, as if the proposed combination had occurred on 1st January 2006 giving effect to the partial sale of LaSalle; and

The presentation currency of the combined group is Sterling as this is consistent with the presentation currency of Barclays PLC and Barclays Bank PLC combined Annual Report on Form 20-F filed with the SEC. The presentation currency of the combined group will be Euro should the proposed combination occur.

The pro forma financial information includes appropriate adjustments to account for the events directly associated with the proposed combination. Any potential synergy benefits are not included within the pro forma financial information. Only costs which are expected to be directly incurred as part of the proposed combination have been included within the pro forma financial information.

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Unaudited Pro Forma Combined Condensed Financial Information

The pro forma adjustments directly relating to the proposed combination are based on effecting the pre acquisition disposal of LaSalle, an estimate of the fair value of the consideration to be provided, and preliminary assessments of the fair values of assets acquired and liabilities assumed and available information and assumptions. If the proposed combination did occur, a final determination of these fair values will be based on Barclays PLC management s estimates of the fair values of the remaining assets and liabilities and an assessment of the fair values of the intangible assets as at the actual date of the combination. The final determination of these fair values will result in potentially material changes to the pro forma adjustments and the pro forma financial information included herein.

The actual purchase price allocation will also be subject to change as a result of finalisation of asset and liability valuations. These final valuations will be based on the actual net tangible and intangible assets that existed as of the closing dates of the proposed combination. The effect of the final fair valuation of assets and liabilities and the determination of the final consideration may cause material differences to the following pro forma financial information.

The final consideration will be determined based on the exchange rate of ABN AMRO Holding N.V. shares to Barclays PLC shares and the fair value of Barclays PLC shares at the date at which the offer is declared unconditional. As such, any changes in the fair value of the shares prior to that date may also cause material differences to the pro forma financial information. In addition, any changes in the foreign exchange rate prior to the date at which the offer is declared unconditional, may cause material differences.

The pro forma financial information and accompanying notes should be read in conjunction with the historical financial statements and the related notes thereto of Barclays PLC for the year ended 31st December 2006. This data should also be read in conjunction with ABN AMRO Holding N.V. financial statements and related notes thereto, for the year ended 31st December 2006 which are incorporated herein by reference to ABN AMRO Holding N.V. Annual Report on Form 20-F filed by ABN AMRO Holding N.V. on 2nd April 2007 and the condensed consolidated financial statements of LaSalle Bank Corporation for the year ended 31st December 2005. The pro forma financial information is presented for information purposes only and does not represent what the results of operations would actually have been if the combination had occurred on the dates indicated nor does it project the results of operations for any future period.

Unaudited Pro Forma Combined Condensed Financial Information

Unaudited Pro Forma Combined Condensed Balance Sheet as at 31st December 2006

IFRS basis

	Barclays PLC	ABN AMRO Holding N.V.[1]	Pre Acquisition Disposal [2]	Other Adjustments[3]	Notes to adjustments	Pro forma combined
	£m	£m	£m	£m	£m	£m
Assets						
Cash and other short-term funds	9,753	8,266	8,702	562	(a)	27,283
Trading and financial assets designated at fair value	292,464	72,767	(3,840)	-		361,391
Derivative financial instruments	138,353	72,851		-		211,204
Loans and advances to banks	30,926	19,362		-		50,288
Loans and advances to customers	282,300	234,590	(30,219)	2,260	(b)	488,931
Available for sale investments	51,703	80,150	(14,220)	-		117,633
Reverse repurchase agreements and cash collateral on securities borrowed	174,090	134,017		-		308,107
Property, plant and equipment	2,492	4,208		-		6,700
Other assets	14,706	36,248	(6,210)	25,237	(c)	69,981
Total assets	**996,787**	**662,459**	**(45,787)**	**28,059**		**1,641,518**
Liabilities						
Deposits and items in the course of collection due to banks	81,783	67,266	(10,917)	(5)	(b)	138,127
Customer accounts	256,754	204,399	(29,501)	(54)	(b)	431,598
Trading and financial liabilities designated at fair value	125,861	32,484		-		158,345
Liabilities to customers under investment contracts	84,637	3,666		-		88,303
Derivative financial instruments	140,697	69,442		-		210,139
Debt securities in issue	111,137	133,897	(884)	(654)	(b)	243,496
Repurchase agreements and cash collateral on securities lent	136,956	97,711	(5,275)	-		229,392
Insurance contract liabilities, including unit linked liabilities	3,878	2,738		-		6,616
Subordinated liabilities	13,786	12,895	(1,349)	101	(d)	25,433
Other liabilities	13,908	20,582	(2,877)	3,427	(e)	35,040
Total liabilities	**969,397**	**645,080**	**(50,803)**	**2,815**		**1,566,489**
Net assets	**27,390**	**17,379**	**5,016**	**25,244**		**75,029**

Shareholders equity					
Shareholders equity excluding minority interests	19,799	15,837	5,016	25,244	65,896
Minority interests	7,591	1,542		-	9,133
Total shareholders equity	**27,390**	**17,379**	**5,016**	**25,244**	**75,029**

(1) The financial information of ABN AMRO Holding N.V. in this unaudited combined condensed balance sheet reflects the IFRS financial information for continuing operations presented in the financial statements for the year ended 31st December 2006 published by ABN AMRO Holding N.V. within the ABN AMRO Holding N.V. Annual Report on Form 20-F filed by ABN AMRO Holding N.V. on 2nd April 2007. Such information does not reflect any comments that the management of Barclays PLC might make had they performed a detailed review. ABN AMRO Holding N.V. financial statements have been reformatted to be consistent with Barclays PLC line item presentation.

(2) See Note 2 to the pro forma financial information.

(3) See Note 3 to the pro forma financial information.

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Unaudited Pro Forma Combined Condensed Financial Information

Unaudited Pro Forma Combined Condensed Income Statement for the year ended 31st December 2006

IFRS basis

	Barclays PLC £m	ABN AMRO Holding N.V.[1] £m	Pre Acquisition Disposal[2] £m	Other Adjustments[3] £m	Notes to adjustments £m	Pro forma combined £m
Continuing operations						
Net interest income	9,143	6,681	(1,569)	(1,145)	(f)	13,110
Net fee and commission income	7,177	4,124		-		11,301
Principal transactions	4,576	3,279		-		7,855
Net premiums from insurance contracts	1,060	1,076		-		2,136
Other income	214	4,484	(807)	-		3,891
Total income	**22,170**	**19,644**	**(2,376)**	**(1,145)**		**38,293**
Net claims and benefits incurred on insurance contracts	(575)	(1,005)		-		(1,580)
Total income net of insurance claims	**21,595**	**18,639**	**(2,376)**	**(1,145)**		**36,713**
Impairment charges	(2,154)	(1,262)	(50)	-		(3,466)
Net income	**19,441**	**17,377**	**(2,426)**	**(1,145)**		**33,247**
Operating expenses	(12,674)	(14,090)	1,556	(1,450)	(g)	(26,658)
Share of post-tax results of associates and joint ventures	46	165		-		211
Profit on disposal of subsidiaries, associates and joint ventures	323	-		-		323
Profit before tax	**7,136**	**3,452**	**(870)**	**(2,595)**		**7,123**
Tax	(1,941)	(614)	313	703	(h)	(1,539)
Profit after tax	**5,195**	**2,838**	**(557)**	**(1,892)**		**5,584**
Profit attributable to minority interests	624	44		-		668
Profit attributable to equity holders of the parent	4,571	2,794	(557)	(1,892)		4,916
	5,195	**2,838**	**(557)**	**(1,892)**		**5,584**
Earnings per share data (pence)						
-Basic	**71.9**	**148.3**				**39.3**
-Diluted	**69.8**	**147.6**				**38.6**
Number of shares (million)						
Weighted average ordinary shares	**6,357**	**1,883**				**12,507**
Weighted average dilutive shares	**6,507**	**1,896**				**12,657**

(1) The financial information of ABN AMRO Holding N.V. in this unaudited combined condensed income statement reflects the IFRS financial information for continuing operations presented in the financial statements for the year ended 31st December 2006 published by ABN AMRO Holding N.V. within the ABN AMRO Holding N.V. Annual Report on Form 20-F filed by ABN AMRO Holding N.V. on 2nd April 2007. Such information does not reflect any comments that the management of Barclays PLC might make had they performed a detailed review. ABN AMRO Holding N.V. financial statements have been reformatted to be consistent with Barclays PLC line item presentation.

(2) See Note 2 to the pro forma financial information.

(3) See Note 3 to the pro forma financial information.

Notes to Pro forma Combined Condensed Financial Information

1. Description of proposed combination and estimated pro forma purchase price

The pro forma financial information has been prepared on the basis of preliminary estimates and assumptions. The key assumptions used to prepare the pro forma financial information (excluding those in relation to LaSalle which are disclosed in note 2) are:

Only publicly available information has been used in the preparation of the pro forma financial information

Potential cost synergy, revenue benefits and associated restructuring costs are not included within the pro forma financial information

Only costs which are expected to be directly incurred as part of the proposed combination have been included within the pro forma financial information

The presentation currency of the combined group is Sterling as this is consistent with the presentation currency of Barclays PLC and Barclays Bank PLC combined Annual Report on Form 20-F filed with the SEC. The presentation currency of the combined group will be Euro should the proposed combination occur

On 22nd April 2007, the Board of Directors of Barclays PLC unanimously resolved to make an exchange offer for 100% of ABN AMRO Holding N.V. ordinary shares. Payment would be in Barclays PLC ordinary shares with 3.225 of Barclays PLC ordinary shares to be exchanged for each ordinary share in ABN AMRO Holding N.V. Therefore, the estimated purchase price of the proposed combination for pro forma purposes will be based on the issue of 6,150 million Barclays PLC ordinary shares

The pro forma financial information reflects the purchase price of the proposed combination to be £46,227m consisting of Barclays PLC ordinary shares and direct transaction costs

The ABN AMRO Holding N.V. income statement has been translated at a 2006 average exchange rate of 1.47 (: £) and the ABN AMRO Holding N.V. balance sheet has been translated at the 31st December 2006 closing exchange rate of 1.49 (: £) in line with the exchange rates used in the published financial statements of Barclays PLC for the year ended 31 December 2006

Fair value adjustments of financial assets and liabilities have been made in line with publicly available information and are amortised on a straight line basis over the appropriate maturity

ABN AMRO Holding N.V. employee share options will be exercised as part of the combination at a weighted average strike price of 19.35 per share

The fair value of property, plant & equipment and other non-financial instruments are not materially different to the balance sheet carrying values disclosed in the ABN AMRO Holding N.V. Annual Report on Form 20-F

Calculation of goodwill is based on the closing price of Barclays PLC ordinary shares of £7.50 as listed on the London Stock Exchange Daily Official List on 20 April 2007

The split of goodwill and intangible assets arising from the proposed combination has been based on a ratio of 70 : 30 in line with historical combinations within the financial services industry

Intangible assets have been amortised on a straight line basis over the estimated useful economic life of 5 years

Different tax rates have been applied to individual adjustments by reference to the nature of the adjustment

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Notes to Pro forma Combined Condensed Financial Information

1. Description of proposed combination and estimated pro forma purchase price (continued)

Estimated pro forma allocation of purchase price of the proposed combination

For the purposes of this pro forma the proposed combination has been accounted for using the purchase method of accounting in accordance with IFRS. An estimated allocation of the purchase price to reflect the estimated fair values of certain ABN AMRO Holding N.V. assets and liabilities has been reflected in the unaudited pro forma financial information. Based on the initial estimates, and subject to changes which may be material upon completion of a final valuation, the preliminary allocation of the estimated pro forma purchase price is as follows:

		£m
Cash and other short-term funds		17,660
Trading and financial assets designated at fair value		68,927
Derivative financial instruments		72,851
Loans and advances to banks		19,362
Loans and advances to customers		206,631
Available for sale investments		65,930
Reverse repurchase agreements and cash collateral on securities borrowed		134,017
Property, plant and equipment		4,208
Other assets (including intangible assets)		33,945
Total assets		**623,531**
Deposits and items in the course of collection due to banks		56,344
Customer accounts		174,844
Trading and financial liabilities designated at fair value		32,484
Liabilities to customers under investment contracts		3,666
Derivative financial instruments		69,442
Debt securities in issue		132,359
Repurchase agreements and cash collateral on securities lent		92,436
Insurance contract liabilities, including unit linked liabilities		2,738
Subordinated liabilities		11,647
Other liabilities		21,132
Total liabilities		**597,092**
Net Assets		**26,439**
Estimated purchase consideration		46,227
Less: Estimated fair value of net assets	26,439	
Minority interests of ABN AMRO Holding N.V. group not acquired	(1,542)	
Estimated fair value of net assets excluding minority interests		(24,897)
Goodwill		**21,330**

If the proposed combination occurs, Barclays PLC will perform a valuation after the closing date to determine the actual values assigned to all acquired assets and liabilities associated with the proposed combination. Identified intangible assets, upon completion of the final valuation, will be amortised over their estimated useful economic lives.

Notes to Pro forma Combined Condensed Financial Information

2. Preacquisition disposal

The potential transaction is subject to an offer condition that prior to completion of the exchange offer, ABN AMRO Holding N.V. will dispose of certain operations of LaSalle to Bank of America Corporation for $21billion. The terms of this offer condition will require ABN AMRO Holding N.V. to dispose of all LaSalle operations excluding capital markets activities within its Global Markets unit and Global Clients division as well as its US Asset Management business. The key assumptions which have been used to prepare the pro forma financial information in relation to the disposal of LaSalle are:

In the absence of 2006 financial statements, the condensed consolidated financial statements of LaSalle for the year ended 31st December 2005 under US GAAP (as disclosed on the LaSalle website) have been used to determine the income statement and balance sheet of LaSalle. The differences between the 2006 and 2005 financial statements have been assumed to be immaterial for the potential combined group

The elements of LaSalle which will not be disposed of are assumed to be immaterial to the combined group and for the purposes of this pro forma financial information, it is assumed that the entire operations of LaSalle will be disposed of

Any differences between US GAAP and IFRS for the balance sheet and income statement are assumed to be immaterial for the potential combined group

Intercompany transactions between ABN AMRO Holding N.V. and LaSalle are assumed to be immaterial in the context of the combined group

A closing exchange rate of 1.96 (US$:£) has been used to convert the LaSalle balance sheet and an average exchange rate of 1.84 (US$:£) has been used to convert the LaSalle income statement for presentational purposes within the pro forma financial statements in line with the exchange rates used in the published financial statements of Barclays PLC for the year ended 31st December 2006

3. Other adjustments

The other adjustments included in the pro forma financial information have been prepared as if the proposed combination was completed at 31st December 2006 for balance sheet purposes and at 1st January 2006 for income statement purposes.

Adjustments to the balance sheet reflect:

(a) Cash outflows in respect of stamp duty and transaction costs and cash inflows in relation to the exercise of ABN AMRO Holding N.V. employee share options

(b) Adjustments required to fair value ABN AMRO Holding N.V. financial assets and liabilities. These adjustments are disclosed in ABN AMRO Holding N.V. Annual Report on Form 20-F filed by ABN AMRO Holding N.V. on 2nd April 2007

(c) Removal of remaining existing goodwill, intangible assets and related deferred tax assets in ABN AMRO Holding N.V. (£5,341m) as disclosed in ABN AMRO Holding N.V. Annual Report on Form 20-F filed by ABN AMRO Holding N.V. on 2nd April 2007. The recognition of estimated purchased goodwill and intangible assets of £30,469m arising from the proposed combination and the deferred tax asset (£109m) in relation to the recognition of the post retirement employee benefit liabilities at the balance sheet date (see adjustment (e) below)

(d) Adjustment required to fair value ABN AMRO Holding N.V. subordinated liabilities at the balance sheet date. This adjustment is disclosed in ABN AMRO Holding N.V. Annual Report on Form 20-F filed by ABN AMRO Holding N.V. on 2nd April 2007

(e) The present value of the ABN AMRO Holding N.V. net post retirement employee benefits obligations, and the deferred tax liability associated with the recognition of intangible assets and fair value adjustments to financial assets and liabilities. The net post retirement employee benefits obligation adjustment is disclosed in ABN AMRO Holding N.V. Annual Report on Form 20-F filed by ABN AMRO Holding N.V. on 2nd April 2007

Notes to Pro forma Combined Condensed Financial Information

Adjustments to the income statement reflect:

(f) Amortisation of the fair value adjustment applied to the assets and liabilities of ABN AMRO Holding N.V.

(g) Amortisation of the estimated purchased intangible assets recognised as a result of the proposed combination

(h) Current and deferred tax charges and credits relating to the adjustments above at the tax rates appropriate to the nature of such adjustments

4. Post-combination effects on income statement

The fair value adjustments applied to the identified assets and liabilities of ABN AMRO Holding N.V. and the purchased intangible assets recognised as part of the proposed combination (as detailed in Note 3) will be amortised on a straight line basis over the appropriate maturity (between 1 and 5 years). The pre-tax impact on the income statement for the years ending 31st December 2006 to 31st December 2010 is as follows:

	2006	2007	2008	2009	2010
	£m	£m	£m	£m	£m
Amortisation of fair value adjustments on financial assets and liabilities	(1,145)	(432)	(432)	(432)	(431)
Amortisation of purchased intangible assets recognised as a result of the combination	(1,828)	(1,828)	(1,828)	(1,828)	(1,827)
Total amortisation relating to the proposed combination	**(2,973)**	**(2,260)**	**(2,260)**	**(2,260)**	**(2,258)**

Notes to Pro forma Combined Condensed Financial Information

5. Unaudited comparative historical and pro forma earnings per share data

Earnings used for the basic pro forma combined earnings per share calculation is the pro forma profit attributable to the equity holders of the parent for the year ended 31st December 2006.

The weighted average number of shares outstanding during the year ended 31st December 2006 for the combined entity is based on the estimated equivalent weighted average number of ordinary shares for Barclays PLC following the proposed combination. For illustrative purposes, earnings per share are calculated as if the exchange of ABN AMRO Holding N.V. shares for Barclays PLC equivalent shares had occurred at 1st January 2006. Under the terms of the proposed combination, ABN AMRO Holding N.V. shares are expected to be exchanged at an estimated ratio of 3.225:1, increasing the weighted average by 6,150 million shares.

Calculated on an IFRS basis

	£m
Profit attributable to equity holders of parent	**4,916**
Dilutive impact of convertible options	(30)
Profit attributable to equity holders of parent including dilutive impact of convertible options	**4,886**

	2006 Million
Basic weighted average number of shares in issue	**6,357**
Share issuance under proposed combination	6,150
Basic weighted average number of shares in issue following the proposed combination	**12,507**
Number of potential ordinary shares	150
Diluted weighted average number of shares	**12,657**

Calculated on a US GAAP basis

	£m
Profit attributable to equity holders of parent	**5,057**
Dilutive impact of convertible options	(21)
Profit attributable to equity holders of parent including dilutive impact of convertible options	**5,036**

	2006 Million
Basic weighted average number of shares in issue	**6,357**
Share issuance under proposed combination	6,150
Basic weighted average number of shares in issue following the proposed combination	**12,507**
Number of potential ordinary shares	106
Diluted weighted average number of shares	**12,613**

Notes to Pro forma Combined Condensed Financial Information

6. Reconciliation to US GAAP

A reconciliation of the unaudited pro forma profit attributed to equity holders of the parent under IFRS to the unaudited pro forma net income attributed to the parent company under US GAAP for the year ended 31st December 2006 and shareholders equity excluding minority interests under IFRS to shareholders equity excluding minority interests under US GAAP as at 31st December 2006 is set out below. For additional information on these adjustments, refer to note 60 in the Barclays PLC Annual Report on Form 20-F for the year ended 31st December 2006 and ABN AMRO Holding N.V. Annual Report on Form 20-F filed by ABN AMRO Holding N.V. on 2nd April 2007.

	2006 £m
Total pro forma profit attributed to equity holders of the parent under IFRS	**4,916**
US adjustments:	
Goodwill	(8)
Intangible assets	(127)
Pensions	(267)
Post-retirement benefits	(17)
Leasing	(342)
Other compensation arrangements	66
Insurance	(96)
Revaluation of property	85
Hedging	655
Financial instruments	(71)
Foreign exchange on available for sale securities	320
Fee and cost recognition	31
Consolidation	(33)
Securitisation	(48)
Guarantees	(9)
Classification of debt and equity	58
Loans held for sale	(11)
Non-financial instruments	1
Disposal of foreign subsidiaries, associates and joint ventures	(34)
Restructuring provisions	(109)
Other	43
Tax effect of the above items	54
Total pro forma net income attributed to the parent company under US GAAP	**5,057**
Pro forma combined basic earnings per share	**40.4**
Pro forma combined diluted earnings per share	**39.9**

	2006 £m
Total pro forma shareholders equity excluding minority interests under IFRS	**65,896**
US adjustments:	
Goodwill	533
Intangible assets	(694)
Pensions	324
Post-retirement benefits	(32)
Leasing	(342)
Compensation arrangements	176
Life Assurance	(33)
Revaluation of property	(136)

Hedging	295
Financial instruments	(91)
Fee and cost recognition	62
Consolidation	9
Securitisation	307
Guarantees	(3)
Classification of debt and equity	179
Loans held for sale	(11)
Non-financial instruments	(3)
Tax effect of the above items	(307)
Total pro forma shareholders equity excluding minority interests under US GAAP	**66,129**

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Exhibit 99.3

ABN AMRO Holding N.V. audited consolidated financial statements for the year ended and as at December 31, 2006 and notes thereto

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Supervisory Board and the Managing Board of ABN AMRO Holding N.V.

We have audited the accompanying consolidated balance sheets of ABN AMRO Holding N.V. and subsidiaries as of 31 December 2006 and 2005, and the related consolidated statements of income, shareholders equity and cash flows for each of the three years in the period ended 31 December 2006. 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 audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of ABN AMRO Holding N.V. and subsidiaries as at 31 December 2006 and 2005, and the consolidated results of their operations and their cash flows for each of the three years in the period ended 31 December 2006, in conformity with International Financial Reporting Standards as adopted by the European Union.

International Financial Reporting Standards as adopted by the European Union vary in certain significant respects from accounting principles generally accepted in the United States of America. Information relating to the nature and effect of such differences is presented in note 50 to the consolidated financial statements.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States of America), the effectiveness of ABN AMRO Holding N.V. s internal control over financial reporting as of 31 December 2006, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated 2 April 2007 expressed an unqualified opinion thereon.

Amsterdam, The Netherlands

2 April 2007

/s/ Ernst & Young Accountants

Ernst & Young Accountants

Accounting policies

Corporate Information

ABN AMRO Holding N.V. is the ultimate parent company of the ABN AMRO consolidated group of companies (referred to as the Group or ABN AMRO). The Group provides a broad range of financial services on a worldwide basis, including consumer, commercial and investment banking. At 1 January 2006, the Group changed its organisational structure, to align the organisation with the Group s mid-market strategy, and to open up its network offering and product suite to all its clients. The change to the organisational structure and the principal activities of the Group are described in more detail in note 1, Segment reporting.

ABN AMRO Holding N.V. is a public limited liability company, incorporated under Dutch law on 30 May 1990, whose registered office is Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands. The Group is listed on the Stock Exchanges of Amsterdam and New York. As ordinary shares in ABN AMRO Holding N.V. are listed on the New York Stock Exchange (NYSE) in the form of American Depositary Receipts, ABN AMRO also publishes an annual report on Form 20-F that conforms to the rules of the Securities and Exchange Commission (SEC) applicable to foreign registrants. The annual report on Form 20-F includes a reconciliation of equity and profit attributable to shareholders of the parent company to the comparable amounts using accounting principles generally accepted in the United States (US GAAP).

The consolidated financial statements of the Group for the year ended 31 December 2006 incorporate figures of the parent, its controlled entities and interests in associates. The financial statements were signed and authorised for issue by the Supervisory Board and Managing Board on 14 March 2007 with the exception of Note 50. This Note was signed and authorised for issue by the Chairman of the Managing Board and the Chief Financial Officer, as part of this Annual Report on Form 20-F, on 2 April 2007. The articles of association of ABN AMRO do not give shareholders or others the power to amend the financial statements after issuance. However, the right to request an amendment of the financial statements is embedded in the Dutch Civil Code. Interested parties have the right to ask the Enterprise Chamber of the Amsterdam Court of Appeal for a revision of the financial statements.

Basis of preparation

ABN AMRO Group applies International Financial Reporting Standards (IFRS).

The consolidated financial statements are prepared on a mixed model valuation basis as follows:

Fair value is used for: derivative financial instruments, financial assets and liabilities held for trading or designated as measured at fair value through income, and available-for-sale financial assets

Other financial assets (including Loans and Receivables) and liabilities are valued at amortised cost

The carrying value of assets and liabilities measured at amortised cost included in a fair value hedge relationship is adjusted with respect to fair value changes resulting from the hedged risk

Non-financial assets and liabilities are generally stated at historical cost.

The Group adopted IFRS on 1 January 2004. For all periods up to and including the year ended 31 December 2004, the Group prepared consolidated financial statements in accordance with Generally Accepted Principles in the Netherlands (Dutch GAAP). The effect of the transition to IFRS, and the elections and exemptions which where used as part of the transition process, are disclosed in note 47, First-time adoption of IFRS.

The consolidated financial statements are presented in euros, which is the presentation currency of the Group, rounded to the nearest million (unless otherwise noted).

Certain amounts in the prior periods have been reclassified to conform to the current presentation.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The Group does not utilise the portfolio hedging carve out permitted by the EU. Accordingly, the accounting policies applied by the Group comply fully with IFRS.

Critical accounting policies

The preparation of financial statements in conformity with IFRS requires management to make difficult, complex or subjective judgements and estimates, at times, regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures. Actual results could differ from those judgements and estimates. The most significant areas requiring management to make judgements and estimates that affect reported amounts and disclosures are as follows:

Allowance for loan losses

Allowances for loan losses are made to reserve for estimated losses in outstanding loans for which there is any doubt about the borrower s capacity to repay the principal and/or the interest. The allowance for loan losses is intended to adjust the value of the Group s loan assets for probable credit losses as of the balance sheet date. Allowances are determined through a combination of specific reviews, statistical modeling and estimates. Certain aspects require judgements, such as the identification of loans that are deteriorating, the determination of the probability of default, the expected loss, the value of collateral and current economic conditions. Though we consider the allowances for loan losses to be adequate, the use of different estimates and assumptions could produce different allowances for loan losses, and amendments to allowances may be required in the future, as a consequence of changes in the value of collateral, the amounts of cash to be received or other economic events. For a further discussion on our allowance for loan losses, see note 19 to our consolidated financial statements.

Fair value of financial instruments

For financial instruments that are actively traded and have quoted market prices or parameters readily available, there is little to no subjectivity to determine fair value. When observable market prices and parameters do not exist, management judgement is necessary to estimate fair value.

Where no active market exists, or quoted prices are unobtainable, the fair value is estimated using a variety of valuation techniques, including discounted cash flow and other pricing models. Input to pricing models are generally taken from reliable external data sources. The models used are validated prior to use by staff independent to the initial selection or creation of the model. The degree of management judgement involved in determining the fair value of a financial instrument is dependent upon the availability of quoted market prices or observable market parameters. Other factors that could affect estimates are incorrect model assumptions, market dislocations and unexpected correlation. We believe our estimates of fair value are adequate. However, the use of different models or assumptions could result in changes in our reported results. For a further discussion on the use of fair values and the impact of applying reasonable possible alternative assumptions as inputs, see note 38 to our consolidated financial statements.

Assessment of risk and rewards

When considering the recognition and derecognition of assets or liabilities, and the consolidation and deconsolidation of subsidiaries, the Group is required to use judgment in assessing risk and rewards. Although management uses its best knowledge of current events and actions in making assessments of risk and rewards, actual risks and rewards may ultimately differ.

Pension and post-retirement benefits

Significant pension and post-retirement benefit costs and credits are based on actuarial calculations. Inherent within these calculations are assumptions including: discount rates, salary increases and the expected return on plan assets. Changes in pension and post-retirement costs may occur in the future as a consequence of changes in interest rates, the return on assets or other factors. For a further discussion on the underlying assumptions, see note 28 to our consolidated financial statements.

Goodwill and intangible assets

Goodwill is not amortised but is subject to an annual test for impairment or more frequently if events or circumstances, such as adverse changes in the business climate, indicate that there may be justification for conducting an interim test. The initial recognition and measurement of goodwill and other intangibles, and subsequent impairment analysis, requires management to make subjective judgements concerning estimates of how the acquired asset will perform in the future using a discounted cash flow analysis. Additionally, estimated cash flows may extend beyond ten years and, by their nature, are difficult to determine over an extended timeframe. Events and factors that may significantly affect the estimates include, among others, competitive forces, customer behaviours and attrition, changes in revenue growth trends, cost structures and technology, and changes in discount rates and specific industry or market sector conditions. Other intangibles are systematically amortised over their estimated useful lives, and are subject to impairment if events or circumstances indicate a possible inability to realise their carrying amount.

Basis of consolidation

The consolidated financial statements are prepared annually for the Group for the year ended 31 December and include the parent company and its controlled subsidiaries as well as joint ventures on a proportionate share basis. The financial statements of the subsidiaries are prepared for the same reporting year using consistent accounting policies.

Subsidiaries

Subsidiaries are those enterprises controlled by the Group. Control is deemed to exist when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The existence and effect of potential voting rights that are presently exercisable or convertible are taken into account when assessing whether control exists. The Group sponsors the formation of entities, including certain special purpose entities, which may or may not be directly owned, for the purpose of asset securitisation transactions and other narrow and well-defined objectives. Particularly in the case of securitisations these entities may acquire assets from other Group companies. Some of these entities hold assets that are not available to meet the claims of creditors of the Group or any of its subsidiaries. Such entities are consolidated in the Group s financial statements when the substance of the relationship between the Group and the entity indicates that control is held by the Group.

The financial statements of subsidiaries and special purpose entities are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Equity attributable to minority interests is shown separately in the consolidated balance sheet as part of total equity and current period profit or loss attributable to minority interests are presented as an attribution of profit for the year.

Business combinations

IFRS 3 Business combinations was adopted for all business combinations that took place after 1 January 2004. Goodwill on acquisitions prior to this date was charged against equity. The cost of an acquisition is measured at the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition, plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the Group s share of the fair value of the identifiable net assets (including certain contingent liabilities) acquired is recorded as goodwill.

In a step acquisition, where control is obtained in stages, all assets and liabilities of the acquired subsidiary, excluding goodwill, are adjusted to their fair values at the date of the latest share acquisition transaction. Fair value adjustments relating to existing holdings are recorded directly in equity.

As a consequence of measuring all the acquired assets and liabilities at fair value, minority interests are calculated by reference to these fair values.

Investments in associates

Associates are those enterprises in which the Group has significant influence (this is generally demonstrated when the Group holds between 20% and 50% of the voting rights), but not control, over the operating and financial policies.

If significant influence is held in a Private Equity portfolio the investment is designated to be held at fair value with changes through income, consistent with the management basis for such investments.

Other investments in which significant influence is held, including the Group s strategic investments, are accounted for using the Net equity method and presented as Equity accounted investments . Under this method the investment is initially recorded at cost and subsequently increased (or decreased) for post acquisition net income (or loss), other movements impacting the equity of the investee and any adjustments required for impairment. When the Group s share of losses exceeds the carrying amount of the investment, the carrying amount is reduced to zero, including any other unsecured receivables, and recognition of further losses is discontinued except to the extent that the Group has incurred obligations or made payments on behalf of the investee.

Jointly controlled entities

Jointly controlled entities are those enterprises over whose activities the Group has joint control, established by contractual agreement. The consolidated financial statements include the Group s proportionate share of these enterprises assets, liabilities, equity, income and expenses on a line-by-line basis, from the date on which joint control commences until the date on which joint control ceases.

Non-current assets held for sale and discontinued operations

Non-current assets and/or businesses are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction planned to occur within 12 months, rather than through continuing use. Held for sale assets are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities of a business held for sale are separately presented.

The results of discontinued operations (an operation that represents a separate major line of business or a geographical area of operation) are presented in the income statement as a single amount comprising the net profit and/or net loss of the discontinued operation and the after tax gain or loss realised on disposal. Comparative income statement data is re-presented if in the current period an activity qualifies as discontinuing and qualifies for separate presentation.

Private equity

Investments of a private equity nature controlled by the Group are consolidated. All other investments of a private equity nature are designated at fair value through income.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any related unrealised gains, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group s interest in the enterprise. Unrealised losses are also eliminated unless the transaction provides evidence of impairment in the asset transferred.

Summary of significant accounting policies

Currency translation differences

The financial performance of the Group s foreign operations (conducted through branches, subsidiaries, associates and joint ventures) is reported using the currency (functional currency) that best reflects the economic substance of the underlying events and circumstances relevant to that entity.

Transactions in a currency that differs from the functional currency of the transacting entity are translated into the functional currency at the foreign exchange rate at transaction date. Accruals and deferrals are translated using the foreign exchange rate on the last day of the month to which the results relate. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate prevailing at the balance sheet date. Non-monetary assets and liabilities accounted for at cost, if denominated in foreign currency, are translated at the foreign exchange rate prevailing at the date of initial recognition.

Currency translation differences on all monetary financial assets and liabilities are included in foreign exchange gains and losses in income. Translation differences on non-monetary items (such as equities) held at fair value through income are also reported through income and, for those classified as available-for-sale, directly in equity within Net unrealised gains and losses on available-for-sale assets .

The assets and liabilities of foreign operations, including goodwill and purchase accounting adjustments, are translated to the Group s presentation currency, the euro, at the foreign exchange rates prevailing at the balance sheet date. The income and expenses of foreign operations are translated to the euro at the rates prevailing at the end of the month. Currency translation differences arising on these translations are recognised directly in equity (currency translation account). Exchange differences recorded in equity, arising after transition to IFRS on 1 January 2004, are included in the income statement on disposal or partial disposal of the operation.

Fiduciary activities

The Group commonly acts as trustee and in other fiduciary capacities that entail either the holding or placing of assets on behalf of individuals, trusts or other institutions. These assets are not assets of the Group and are therefore not included in these financial statements.

Income statement

Interest income and expenses

Interest income and expense is recognised in the income statement using the effective interest rate method. The application of this method includes the amortisation of any discount or premium or other differences, including transaction costs and qualifying fees and commissions, between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis. This item also includes interest income and expense in relation to trading balances.

Fee and commission income

Fees and commissions are recognised as follows:

Fees and commissions generated as an integral part of negotiating and arranging a funding transaction with customers, such as the issuance of loans are included in the calculation of the effective interest rate and are included in interest income and expense

Fees and commissions generated for transactions or discrete acts are recognised when the transaction or act is completed

Fees and commissions dependent on the outcome of a particular event or contingent upon performance are recognised when the relevant criteria have been met

Service fees are typically recognised on a straight-line basis over the service contract period; portfolio and other management advisory and service fees are recognised based on the applicable service contracts

Asset management fees related to investment funds are also recognised over the period the service is provided. This principle is also applied to the recognition of income from wealth management, financial planning and custody services that are provided over an extended period.

Net trading income

Net trading income includes gains and losses arising from changes in the fair value and disposal of financial assets and liabilities held for trading and includes dividends received from trading instruments. Interest income or expenses on trading assets or liabilities are included within interest income or expense.

Results from financial transactions

Results from financial transactions include gains and losses on the sale of non-trading financial assets and liabilities, ineffectiveness of certain hedging programmes, the change in fair value of derivatives used to hedge credit risks that are not included in hedge accounting relationships, fair value changes relating to assets and liabilities designated at fair value through income and changes in the value of any related derivatives. Dividend income from non-trading equity investments is recognised when entitlement is established.

Other operating income

Development property income is first recognised when the outcome of a construction contract can be estimated reliably after which contract income and expenses are recognised in the income statement in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to the phases of work performed. An expected loss on a contract is recognised immediately in the income statement.

Rental income from investment property is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

Income from insurance activities is presented net of direct costs and provisions required for the insured risk.

Earnings per share

Earnings per share is calculated by dividing the profit attributable to shareholders of the parent company from continuing and discontinuing operations by the average number of shares in issuance during the year. Fully diluted earnings per share is calculated taking into account all dilutive instruments, including options and employee share plans, in issuance at the balance sheet date.

Segment reporting

Business segments are the primary reporting segments and are grouped by the nature of risks and rewards assessed by reference to product and service characteristics. Geographical segments are grouped based on a combination of proximity, relationships between operations and economic and currency similarities. Geographical data is presented according to the location of the transacting Group entity.

Financial assets and liabilities

Measurement classifications

The Group classifies its financial assets and liabilities into the following measurement (valuation) categories:

Financial instruments held for trading are those that the Group holds primarily for the purpose of short-term profit-taking. These include shares, interest earning securities, and liabilities from short sales of financial instruments.

Derivatives are financial instruments that require little or no initial net investment, with future settlements dependent on a reference benchmark index, rate or price (such as interest rates or equity prices). Changes in expected future cash flows in response to changes in the underlying benchmark determine the fair value of derivatives. All derivatives are recorded in the balance sheet at fair value. Changes in the fair value of derivative instruments are recorded in income, except when designated in cash flow or net investment hedge relationship (see hedging below).

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They generally arise when the Group provides money or services directly to a customer with no intention of trading or selling the loan.

Held-to-maturity assets are non-derivative financial assets quoted on an active market with fixed or determinable payments (i.e. debt instruments) and a fixed maturity that the Group has the intention and ability to hold to maturity.

Designated at fair value through income are financial assets and financial liabilities that the Group upon initial recognition (or on transition to IFRS on 1 January 2004) designates to be measured at fair value with changes reported in income. Such a designation is done if:

The instrument includes an embedded derivative that would otherwise require separation. This applies to certain structured notes issued with hybrid features. Fair value measurement also helps to achieve offset against changes in the value of derivatives and other fair value positions used to economically hedge these notes.

The designation eliminates or significantly reduce a measurement inconsistency that would otherwise arise. In this regard unit-linked investments held for the account and risk of policyholders and the related obligation to policyholders are designated at fair value with changes through income.

It relates to a portfolio of financial assets and/or liabilities that are managed and evaluated on a fair value basis. This is applied to equity investments of a private equity nature and mortgages that are originated held for sale by our business in North America.

Available-for-sale assets include interest earning assets that have either been designated as available for sale or do not fit into one of the categories described above. Equity investments held without significant influence, which are not held for trading or elected to fair value through income are classified as available-for-sale.

Non-trading financial liabilities that are not designated at fair value through income are measured at amortised cost.

Recognition and derecognition

Traded instruments are recognised on trade date, defined as the date on which the Group commits to purchase or sell the underlying instrument. Where settlement terms are non-standard the commitment is accounted for as a derivative between trade and settlement date. Loans and receivables are recognised when they are acquired or funded by the Group and derecognised when settled. Issued debt is recognised when issued and deposits are recognised when the cash is deposited with the Group. Other financial assets and liabilities, including derivatives, are recognised in the balance sheet when the Group becomes party to the contractual provisions of the asset or liability.

Financial assets are generally derecognised when the Group loses control or the ability to obtain benefits over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are fully transferred. If a servicing function is retained, which is profitable, a servicing asset is recognised. A financial liability is derecognised when the obligations specified in the contract are discharged, are cancelled or expire.

Financial instruments continue to be recognised in the balance sheet, and a liability recognised for the proceeds of any related funding transaction, unless a fully proportional share of all or specifically identified cash flows are transferable to the lender without material delay and the lenders claim is limited to those cash flows, in which case that proportion of the asset is derecognised, or substantially all the risks and returns and control associated with the financial instruments have been transferred in which case the assets are derecognised in full.

The Group derecognises financial liabilities when settled or if the Group repurchases its own debt. The difference between the former carrying amount and the consideration paid is included in results on financial transactions in income. Any subsequent resale is treated as a new issuance.

The Group securitises various consumer and commercial financial assets. This process generally necessitates a sale of these assets to a special purpose entity (SPE), which in turn issues securities to investors. The Group s interests in securitised assets may be retained in the form of senior or subordinated tranches, issued guarantees, interest-only strips or other residual interests, together referred to as retained interest. In many cases these retained interests are significant, such that the SPE is consolidated, and the securitised assets continue to be recognised in the consolidated balance sheet.

Measurement

All trading instruments and financial assets and liabilities designated at fair value are measured at fair value, with transaction costs related to the purchase as well as fair value changes taken to income directly.

All derivatives are recorded in the balance sheet at fair value with changes recorded through income unless the derivative qualifies for cash flow hedging accounting.

Available-for-sale assets are held at fair value with unrealised gains and losses recognised directly in equity, net of applicable taxes. Premiums, discounts and qualifying transaction costs of interest earning available-for-sale assets are amortised to income on an effective interest rate basis.

When available-for-sale assets are sold, collected or impaired the cumulative gain or loss recognised in equity is transferred to results from financial transactions in income.

All other financial assets and liabilities are initially measured at cost including directly attributable incremental transaction costs. They are subsequently valued at amortised cost using the effective interest rate method. Through use of the effective interest rate method, premiums and discounts, including qualifying transaction costs, included in the carrying amount of the related instrument are amortised over the period to maturity or expected prepayment on the basis of the instrument s original effective interest rate.

When available, fair values are obtained from quoted market prices in liquid markets. Where no active market exists, or quoted prices are unobtainable, the fair value is estimated using a variety of valuation techniques - including discounted cash flow and other pricing models. Inputs to pricing models are generally market-based when available and taken from reliable external data sources. The models used are validated prior to the use for financial reporting by staff independent of the initial selection or creation of the model. Where inputs cannot be reliably sourced from external providers, the initial recognition value of a financial asset or liability is taken to be the settled value at trade inception. The initial change in fair value indicated by the valuation technique is then released to income at appropriate points over the life of the instrument (typically taking account of the ability to obtain reliable external data, the passage of time and the use of offsetting transactions). Where discounted cash flow techniques are used, estimated future cash flows are based on management s best estimates and the discount rate applied is a market-related rate at the balance sheet date for an instrument with similar terms and conditions Fair values include appropriate adjustments to reflect the credit quality of the instrument.

Professional securities transactions

Securities borrowing and securities lending transactions are generally entered into on a collateralised basis, with securities usually advanced or received as collateral. The transfer of the securities themselves is not reflected on the balance sheet unless the risks and rewards of ownership are also transferred. If cash is advanced or received, securities borrowing and lending activities are recorded at the amount of cash advanced (included in loans and receivables) or received (due to banks or customers). The market value of the securities borrowed and lent is monitored on a daily basis, and the collateral levels are adjusted in accordance with the underlying transactions. Fees and interest received or paid are recognised on an effective interest basis and recorded as interest income or interest expense.

Sale and repurchase transactions involve purchases (sales) of investments with agreements to resell (repurchase) substantially identical investments at a certain date in the future at a fixed price. Investments purchased subject to commitments to resell them at future dates are not recognised. The amounts paid are recognised in loans and receivables to either banks or customers. The receivables are shown as collateralised by the underlying security. Investments sold under repurchase agreements continue to be recognised in the balance sheet. The proceeds from the sale of the investments are reported as liabilities to either banks or customers. The difference between the sale and repurchase price is recognised over the period of the transaction and recorded as interest income or interest expense.

Netting and collateral

The Group enters into master netting arrangements with counterparties wherever possible, and when appropriate, obtains collateral. If the Group has the right on the grounds of either legal or contractual provisions and the intention to settle financial assets and liabilities net or simultaneously, these are offset and the net amount is reported in the balance sheet. Due to differences in the timing of actual cash flows, derivatives with positive and negative fair values are generally not netted, even if they are held with the same counterparty.

Hedge accounting

The Group uses derivative instruments to manage exposures to interest rate, foreign currency and credit risks, including exposures arising from forecast transactions. The Group applies fair value, cash flow or net investment hedging to qualifying transactions that are documented as such at inception.

The hedged item can be an asset, liability, highly probable forecasted transaction or net investment in a foreign operation that (a) exposes the entity to risk of changes in fair value or future cash flows and (b) is designated as being hedged. The risk being hedged (the hedged risk) is typically changes in interest rates or foreign currency rates. The Group also enters into credit risk derivatives (sometimes referred to as credit default swaps) for managing portfolio credit risk. However these are generally not included in hedge accounting relationships.

Both at the inception of the hedge and on an ongoing basis, the Group formally assesses whether the derivatives used in its hedging transactions have been highly effective in offsetting changes in the fair value or cash flows of the hedged item, by assessing and measuring whether changes in the fair value or cash flows of the hedged item are offset by the changes in the fair value or cash flows of the hedging instrument, within the range of 80% to 125%.

Hedge ineffectiveness represents the amount by which the changes in the fair value of the derivative differ from changes in the fair

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value of the hedged item in a fair value hedge, or the amount by which the changes in the fair value of the derivative are in excess of the fair value change of the expected cash flow in a cash flow hedge. Hedge ineffectiveness and gains and losses on components of a derivative that are excluded from the assessment of hedge effectiveness are recorded directly in income.

The Group discontinues hedge accounting when the hedge relationship has ceased to be effective or is no longer expected to be effective, or when the derivative or hedged item is sold or otherwise terminated.

Fair value hedges

Where a derivative financial instrument hedges the exposure to changes in the fair value of recognised or committed assets or liabilities, the hedged item is adjusted in relation to the risk being hedged. Gains or losses on remeasurement of both the hedging instrument and the hedged item are recognised in the income statement, typically within results from financial transactions. For hedges of mortgage service rights any hedging ineffectiveness is recorded in other income.

When a fair value hedge of interest rate risk is terminated, any fair value adjustment to the carrying amount of the hedged asset or liability is amortised to income over the original designated hedging period or taken directly to income if the hedged item is sold, settled or impaired.

Cash flow hedges

When a derivative financial instrument hedges the exposure to variability in the cash flows from recognised assets, liabilities or anticipated transactions, the effective part of any gain or loss on remeasurement of the hedging instrument is recognised directly in equity. When a cash flow hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss recognised in equity remains in equity.

The cumulative gain or loss recognised in equity is transferred to the income statement at the time when the hedged transaction affects net profit or loss and included in the same line item as the hedged transaction. In the exceptional case that the hedged transaction is no longer expected to occur, the cumulative gain or loss recognised in equity is recognised in the income statement immediately.

Hedge of a net investment in a foreign operation

The Group uses foreign currency derivatives and currency borrowings to hedge various net investments in foreign operations. For such hedges, currency translation differences arising on translation of the currency of these instruments to euro are recognised directly in the currency translation account in equity, insofar as they are effective.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a portfolio of financial assets is impaired. A financial asset or portfolio of financial assets is impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and prior to the balance sheet date (a loss event) and that event adversely impacts estimated future cash flows of the financial asset or the portfolio.

Loans and receivables

An indication that a loan may be impaired is obtained through the Group s credit review processes, which include monitoring customer payments and regular loan reviews at least every 6 or 12 months depending on the obligors creditworthiness.

The Group first assesses whether objective evidence of impairment exists for loans (including any related facilities and guarantees) that are individually significant, and individually or collectively for loans that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed loan, it includes the asset in a portfolio of loans with similar credit risk characteristics and collectively assesses them for impairment. Loans that are evaluated individually for impairment are not included in a collective assessment of impairment.

Indications that there is a measurable decrease in estimated future cash flows from a portfolio of loans, although the decrease cannot yet be identified with the individual loans in the portfolio, include adverse changes in the payment status of borrowers in the portfolio and national or local economic conditions that correlate with defaults in the portfolio.

The amount of impairment loss is measured as the difference between the loan s carrying amount and the present value of estimated future cash flows discounted at the loan s original effective interest rate. The amount of the loss is recognised using an allowance account and the amount of the loss is included in the income statement line loan impairment and other credit risk provisions.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that are likely to result from foreclosure less costs for obtaining and selling the collateral.

Future cash flows of a group of loans that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the loans in the portfolio and historical loss experience for loans with credit risk characteristics similar to those in the Group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the historical data and to remove the effects of conditions in the historical data that do not currently exist.

The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience. The impact of changes in estimates and recoveries is recorded in the income statement line loan impairment and other credit risk provisions.

Following impairment, interest income is recognised using the original effective rate of interest. When a loan is deemed no longer collectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off are credited to the income statement line loan impairment and other credit risk provisions. Assets acquired in exchange for loans to achieve an orderly realisation are reflected in the balance sheet as a disposal of the loan and an acquisition of a new asset, initially booked at fair value.

Other financial assets

In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also considered in determining whether impairment exists. Where such evidence exists, the cumulative net loss that has been previously recognised directly in equity is removed from equity and recognised in the income statement within results on financial transactions.

Held to maturity and available-for-sale debt investments are assessed and any impairment is measured on an individual basis, consistent with the methodology applied to loans and receivables.

Property and equipment

Own use assets

Property and equipment is stated at cost less accumulated depreciation and any amount for impairment. If an item of property and equipment is comprised of several major components with different useful lives, each component is accounted for separately. Additions and subsequent expenditures (including accrued interest) are capitalised only to the extent that they enhance the future economic benefits expected to be derived from the asset. Expenditure incurred to replace a component of an asset is separately capitalised and the replaced component is written off. Other subsequent expenditure is capitalised only when it increases the future economic benefit of the item of property and equipment. All other expenditure, including maintenance, is recognised in the income statement as incurred. When an item of property and equipment is retired or disposed, the difference between the carrying amount and the disposal proceeds net of costs is recognised in other operating income.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of items of property and equipment, and major components that are accounted for separately. The Group generally uses the following estimated useful lives:

Land	not depreciated
Buildings	25 to 50 years
Equipment	5 to 12 years
Computer installations	2 to 5 years.

Software, presented as an intangible asset, is amortised over 3-7 years.

Depreciation rates and residual values are reviewed at least annually to take into account any change in circumstances. Capitalised leasehold improvements are depreciated in a manner that takes into account the term and renewal conditions of the related lease.

Development property

The majority of the Group s development and construction activities are undertaken for immediate sale or as part of a pre-agreed

contractual arrangement. Property developed under a pre-agreed contractual arrangement is stated at cost plus profit recognisable to date less a provision for any foreseeable losses and less progress billings. Cost includes all expenditure (including accrued interest) related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group s contract activities based on normal operating capacity. The specific components of development property are accounted for as follows.

Building and development sites are carried at cost including allocated interest and additional expenses for purchasing the site and making them ready for development. No interest is allocated to land which has not been zoned for a particular purpose, if there is no certainty that the land will be built on. Any provision deemed necessary for expected losses on sale is deducted from the carrying value of the site.

Work in progress relates to commercial property projects, as well as to unsold residential property under construction or preparation. Work in progress is carried at the costs incurred plus allocated interest and net of any provisions as required. Progress instalments invoiced to buyers and principals are deducted from work in progress. The profit and loss is recognised in accordance with the percentage of completion method. Until sold, commercial and residential developments are carried at cost of production net of any required provisions. If a decision is taken to retain an unsold property it is classified as investment property.

Investment property

Investment property is carried at fair value based on current market prices for similar properties in the same location and condition. Any gain or loss arising from a change in fair value is recognised in profit and loss. Rental income from investment property is recognised on a straight-line basis over the term of the lease, with lease incentives granted recognised as an integral part of the rental income.

Leasing

As *lessee:* most of the leases that the Group has entered into are classified as operating leases (including property rental). The total payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense. When it is anticipated that an operating lease will be terminated or vacated before the lease period has expired, the lesser of any penalty payments required and the remaining payments due once vacated (less sub-leasing income) is recognised as an expense.

As *lessor:* assets subject to operational leases are included in property and equipment. The asset is depreciated on a straight-line basis over its useful life to its estimated residual value. Leases where the Group transfers substantially all the risks and rewards resulting from ownership of an asset to the lessee are classified as finance leases. A receivable at an amount equal to the present value of the lease payments, using the implicit interest rate, including any guaranteed residual value, is recognised. Finance lease receivables are included in loans and receivables to customers.

Intangible assets

Goodwill

Goodwill is capitalised and represents the excess of the cost of an acquisition over the fair value of the Group s share of the acquired entity s net identifiable assets at the date of acquisition. For the purpose of calculating goodwill, the fair values of acquired assets, liabilities and contingent liabilities are determined by reference to market values or by discounting expected future cash flows to present value. Any change in the assessed fair value of acquired assets and liabilities at the time of acquisition identified within one year following the acquisition are corrected against goodwill. Any revisions identified after one year are recorded in income.

Goodwill on the acquisition of equity accounted investments is included in the carrying amount of the investment.

Gains and losses on the disposal of an entity, including equity accounted investments, are determined as the difference between the sale proceeds and the carrying amount of the entity including related goodwill and any currency translation differences recorded in equity.

Software

Costs that are directly associated with identifiable and software products that are controlled by the Group, and likely to generate future economic benefits exceeding these costs, are recognised as intangible assets. Direct costs include staff costs of the software development team. Expenditure that enhances or extends the performance of computer software beyond its original specification is recognised as a capital improvement and added to the original cost of the software. Software is amortised over 3-7 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Mortgage servicing rights

Mortgage servicing rights (MSRs) represent the right to a stream of fee-based cash flows and an obligation to perform specified mortgage servicing activities. MSRs are initially recorded at fair value and amortised over the estimated future net servicing income stream of the underlying mortgages. The duration of the income stream relating to these servicing rights is dependent on the pre-payment behaviour of the customer, which is influenced by a number of factors including interest rate expectations. MSR assets are subject to hedging under a fair value hedge programme designed to limit the Group s exposure to changes in the fair value of the MSR. The change in the fair value of the hedged MSRs and the change in the fair value of the hedging derivatives are included as part of mortgage banking income within other operating income.

Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and any adjustment for impairment losses. Other intangible assets are comprised of separately identifiable items arising from acquisition of subsidiaries, such as customer relationships, and certain purchased trademarks and similar items. Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of the intangible asset.

Impairment of property and equipment and intangible assets

Property and equipment and intangibles are assessed at each balance sheet date or more frequently, to determine whether there is any indication of impairment. If any such indication exists, the assets are subject to an impairment review. Regardless of any indications of potential impairment, the carrying amount of goodwill is subject to a detailed impairment review at least annually.

An impairment loss is recognised whenever the carrying amount of an asset that generates largely independent cash flows or the cash-generating unit to which it belongs exceeds its recoverable amount. The recoverable amount of an asset is the greater of its net selling price and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. When conducting impairment reviews, particularly for goodwill, cash-generating units are the lowest level at which management monitors the return on investment on assets.

Impairment losses are recognised in the income statement as a component of depreciation and amortisation expense. An impairment loss with respect to goodwill is not reversible. Other impairment losses are reversed only to the extent that the asset s carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

Pension and other post-retirement benefits

For 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. Separate pension funds or third parties administer most of these plans. The plans include both defined contribution plans and defined benefit plans.

Defined contribution plans

In the case of defined contribution plans, contributions are charged directly to the income statement in the year to which they relate.

Defined benefit plans

The net obligations under defined benefit plans are regarded as the Group s own commitments regardless of whether these are administered by a pension fund or in some other manner. The net obligation of each plan is determined as the difference between the benefit obligations and the plan assets. Defined benefit plan pension commitments are calculated in accordance with the projected unit credit method of actuarial cost allocation. Under this method, the present value of pension commitments is determined on the basis of the number of active years of service up to the balance sheet date and the estimated employee salary at the time of the expected retirement date, and is discounted using the market rate of interest on high-quality corporate bonds. The plan assets are measured at fair value.

Pension costs for the year are established at the beginning of the year based on the expected service and interest costs and the expected return on the plan assets, plus the impact of any current period curtailments or plan changes. Differences between the expected and the actual return on plan assets, as well as actuarial gains and losses, are only recognised as income or expense when the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting year exceed 10% of the greater of the commitments under the plan and the fair value of the related plan assets. The part that exceeds 10% is recognised in income over the expected remaining years of service of the employees participating in the plans. Differences between the pension costs determined in this way and the contributions payable are accounted for as provisions or prepayments. Commitments relating to early retirement of employees are treated as pension commitments.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the past service cost is recognised immediately in the income statement.

Other post-retirement benefits

The Group s net obligation with respect to long-term service benefits and post-retirement healthcare is the amount of future benefit that employees have earned in return for their service in current and prior periods. The obligation is calculated using the projected unit credit method. It is then discounted to its present value and the fair value of any related assets is deducted.

Share-based payments to employees

The Group engages in equity and cash settled share-based payment transactions in respect of services received from certain of its employees. The cost of the services received is measured by reference to the fair value of the shares or share options granted on the date of the grant. The cost related to the shares or share options granted is recognised in the income statement over the period that the services of the employees are received, which is the vesting period, with a corresponding credit in equity for equity settled schemes and a credit in liabilities for cash settled schemes.

The fair value of the options granted is determined using option pricing models, which take into account the exercise price of the option, the current share price, the risk free interest rate, the volatility of the ABN AMRO share price over the life of the option and the terms and conditions of the grant. Non-market vesting conditions are taken into account by adjusting the number of shares or share options included in the measurement of the cost of employee services, so that ultimately the amount cumulatively recognised in the income statement shall reflect the number of shares or share options that eventually vest. Where vesting conditions are related to market conditions, these are fully reflected in the fair value initially determined at grant date and as a result, the charges for the services received are recognised regardless of whether or not the market related vesting condition is met, provided that the non-market vesting conditions are met.

Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If the effect of time value is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market rates and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when an obligation exists. An obligation exists when the Group has approved a detailed plan and has raised a valid expectation in those affected by the plan by starting to implement the plan or by announcing its main features. Future operating costs are not provided for.

Provisions for insurance risks are determined by actuarial methods, which include the use of statistics, interest rate data and settlement costs expectations.

Other liabilities

Obligations to policyholders, whose return is dependent on the return of unit linked investments recognised in the balance sheet, are measured at fair value with changes through income.

Income taxes - current and deferred

Income tax payable on profits, based on the applicable tax law in each jurisdiction, is recognised as an expense in the period in which profits arise. The future tax benefit of income tax losses available for carry forward is recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax is recognised for qualifying temporary differences. Temporary differences represent the difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The most significant temporary differences arise from the revaluation of certain financial assets and liabilities including derivative contracts, allowances for loan impairment, provisions for pensions and business combinations. The following differences are not provided for: capitalised goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries and associates, to the extent that they will probably not reverse in the foreseeable future and the timing of such reversals is controlled by the Group. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and liability simultaneously.

Issued debt and equity securities

Issued debt securities are recorded on an amortised cost basis using the effective interest rate method, unless they are of a hybrid/structured nature and designated to be held at fair value through income.

Issued financial instruments or their components are classified as liabilities where the substance of the contractual arrangement results in the Group having a present obligation to either deliver cash or another financial asset or to satisfy the obligation other than by the exchange of a fixed number of equity shares. Preference shares that carry a non-discretionary coupon or are redeemable on a specific date or at the option of the holder are classified as liabilities. The dividends and fees on preference shares classified as a liability are recognised as interest expense.

Issued financial instruments, or their components, are classified as equity when they do not qualify as a liability and represent a residual interest in the assets of the Group. Preference share capital is classified as equity if it is non-redeemable and any dividends are discretionary. The components of issued financial instruments that contain both liability and equity elements are accounted for separately with the equity component being assigned the residual amount after deducting from the instrument s initial value the fair value of the liability component.

Dividends on ordinary shares and preference shares classified as equity are recognised as a distribution of equity in the period in which they are approved by shareholders.

Share capital

Incremental external costs directly attributable to the issue of new shares are deducted from equity net of any related income taxes.

When share capital recognised as equity is repurchased, the amount of the consideration paid, including incremental directly attributable costs net of income taxes, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity. Where such shares are subsequently sold or reissued, any consideration received is added to shareholders equity.

Other equity components

Currency translation account

The currency translation account is comprised of all currency differences arising from the translation of the financial statements of foreign operations net of the translation impact on liabilities or foreign exchange derivatives held to hedge the Group s net investment. These currency differences are included in income on disposal or partial disposal of the operation.

Cash flow hedging reserve

The cash flow hedging reserve is comprised of the effective portion of the cumulative change in the fair value of cash flow hedging derivatives, net of taxes, where the hedged transaction has not yet occurred.

Net unrealised gains and losses on available-for-sale assets

In this component, gains and losses arising from a change in the fair value of available-for-sale assets are recognised, net of taxes. When the relevant assets are sold, impaired or otherwise disposed of, the related cumulative gain or loss recognised in equity is transferred to the income statement.

Collectively, the cash flow hedging reserve and the available-for-sale reserve are sometimes referred to as special components of equity.

Cash flow statement

Cash and cash equivalents for the purpose of the cash flow statement include cash in hand, deposits available on demand with central banks and net credit balances on current accounts with other banks.

The cash flow statement, based on the indirect method of calculation, gives details of the source of cash and cash equivalents which became available during the year and the application of these cash and cash equivalents over the course of the year. The cash flows are analysed into cash flows from operations, including banking activities, investment activities and financing activities. Movements in loans and receivables and inter-bank deposits are included in the cash flow from operating activities. Investment activities are comprised of acquisitions, sales and redemptions in respect of financial investments, as well as investments in and sales of subsidiaries and associates, property and equipment. The issuing 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.

Future changes in accounting policies

IFRS standards not yet effective

IFRS 7 was issued in August 2005 and is effective for annual reporting periods beginning on or after 1 January 2007. It requires entities to provide additional disclosures on financial instruments within their financial statements but does not change the recognition and measurement rules of these financial instruments.

IFRS 8 was issued in November 2006 and is effective for annual reporting periods beginning on or after 1 January 2009. The standard replaces IAS 14 Segment Reporting in setting out requirements for disclosure of information about an entity s operating segments and also about the entity s products and services, the geographical areas in which it operates, and its major customers. The Group plans to adopt IFRS 8 in 2007.

IFRIC Interpretations not yet effective

IFRIC interpretation 8 Scope of IFRS 2 was issued in January 2006 and is required to be applied for financial years beginning on or after 1 May 2006. It requires IFRS 2 Share-based Payment to be applied to any arrangements where equity instruments are issued for consideration which appears to be less than fair value. As equity instruments are only issued to employees in accordance with the employee share scheme, the interpretation has no impact on the financial position or results of the Group.

IFRIC interpretation 9 Reassessment of Embedded Derivatives was issued in March 2006 and becomes effective for financial years beginning on or after 1 June 2006. This interpretation establishes that the date to assess the existence of an embedded derivative is the date an entity first becomes a party to the contract with reassessment only if there is a change to the contract that significantly modifies the cash flows. This interpretation is consistent with our accounting policies and thus will have no impact on the Group s financial statements when implemented in 2007.

IFRIC interpretation 10 Interim Financial Reporting & Impairment was issued in July 2006 and becomes effective for financial years beginning on or after 1 November 2006. It states that an entity shall not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. The adoption of this interpretation will have no impact on the financial position or results of the Group.

IFRIC interpretation 11 Group & Treasury Share Transactions was issued in November 2006 and becomes effective for financial years beginning on or after 1 March 2007. The interpretation provides further guidance on the implementation of IFRS 2 Share-based Payment . The Group is still evaluating the effect of this interpretation for implementation in 2008.

Consolidated income statement for the year ended 31 December

	2006	2005	2004
		(in millions of euros)	
Interest income	37,698	29,645	24,528
Interest expense	27,123	20,860	16,003
Net interest income [3]	**10,575**	**8,785**	**8,525**
Fee and commission income	7,127	5,572	5,185
Fee and commission expense	1,065	881	700
Net fee and commission income [4]	**6,062**	**4,691**	**4,485**
Net trading income [5]	2,979	2,621	1,309
Results from financial transactions [6]	1,087	1,281	905
Share of result in equity accounted investments [20]	243	263	206
Other operating income [7]	1,382	1,056	745
Income of consolidated private equity holdings [41]	5,313	3,637	2,616
Operating income	**27,641**	**22,334**	**18,791**
Personnel expenses [8]	8,641	7,225	7,550
General and administrative expenses [9]	7,057	5,553	4,747
Depreciation and amortisation [10]	1,331	1,004	1,218
Goods and materials of consolidated private equity holdings [41]	3,684	2,519	1,665
Operating expenses	**20,713**	**16,301**	**15,180**
Loan impairment and other credit risk provisions [19]	1,855	635	607
Total expenses	**22,568**	**16,936**	**15,787**
Operating profit before tax	**5,073**	**5,398**	**3,004**
Income tax expense [12]	902	1,142	715
Profit from continuing operations	**4,171**	**4,256**	**2,289**
Profit from discontinued operations net of tax [45]	609	187	1,651
Profit for the year	**4,780**	**4,443**	**3,940**
Attributable to:			
Shareholders of the parent company	4,715	4,382	3,865
Minority interests	65	61	75

Earnings per share attributable to the shareholders of the parent company

(in euros) 13			
From continuing operations			
Basic	2.18	2.33	1.34
Diluted	2.17	2.32	1.34
From continuing and discontinued operations			
Basic	2.50	2.43	2.33
Diluted	2.49	2.42	2.33

Numbers stated against items refer to the notes. The notes to the consolidated financial statements are an integral part of these statements.

Consolidated balance sheet at 31 December

	2006	2005
	(in millions of euros)	
Assets		
Cash and balances at central banks [14]	12,317	16,657
Financial assets held for trading [15]	205,736	202,055
Financial investments [16]	125,381	123,774
Loans and receivables banks [17]	134,819	108,635
Loans and receivables customers [18]	443,255	380,248
Equity accounted investments [20]	1,527	2,993
Property and equipment [21]	6,270	8,110
Goodwill and other intangible assets [22]	9,407	5,168
Assets of businesses held for sale [45]	11,850	
Accrued income and prepaid expenses	9,290	7,614
Other assets [23]	27,212	25,550
Total assets	987,064	880,804
Liabilities		
Financial liabilities held for trading [15]	145,364	148,588
Due to banks [24]	187,989	167,821
Due to customers [25]	362,383	317,083
Issued debt securities [26]	202,046	170,619
Provisions [27]	7,850	6,411
Liabilities of businesses held for sale [45]	3,707	
Accrued expenses and deferred income	10,640	8,335
Other liabilities [29]	21,977	18,723
Total liabilities (excluding subordinated liabilities)	941,956	837,580
Subordinated liabilities [31]	19,213	19,072
Total liabilities	961,169	856,652
Equity		
Share capital [32]	1,085	1,069
Share premium	5,245	5,269
Treasury shares	(1,829)	(600)
Retained earnings	18,599	15,237
Net gains/(losses) not recognized in the income statement	497	1,246
Equity attributable to shareholders of the parent company	23,597	22,221
Equity attributable to minority interests	2,298	1,931

Total equity	25,895	24,152
Total equity and liabilities	987,064	880,804
Credit related contingent liabilities [35]	51,279	46,021
Committed credit facilities [35]	145,418	141,010

Numbers stated against items refer to the notes. The notes to the consolidated financial statements are an integral part of these statements.

Consolidated statement of changes in equity for the year ended 31 December

	2006	2005	2004
		(in millions of euros)	
Share capital			
Balance at 1 January	1,069	954	919
Issuance of shares		82	
Exercised options and warrants	16		2
Dividends paid in shares		33	33
Balance at 31 December	1,085	1,069	954
Share premium			
Balance at 1 January	5,269	2,604	2,549
Issuance of shares		2,611	
Exercised options and conversion rights			48
Share-based payments	111	87	40
Dividends paid in shares	(135)	(33)	(33)
Balance at 31 December	5,245	5,269	2,604
Treasury shares			
Balance at 1 January	(600)	(632)	(119)
Share buy back	(2,204)	32	(513)
Utilised for dividends paid in shares	832		
Utilised for exercise of options and performance share plans	143		
Balance at 31 December	(1,829)	(600)	(632)
Retained earnings *			
Balance at 1 January	15,237	11,580	8,469
Profit attributable to shareholders of the parent company	4,715	4,382	3,865
Cash dividends paid to shareholders of the parent company	(807)	(659)	(694)
Dividends paid in shares to shareholders of the parent company	(656)		
Other	110	(66)	(60)
Balance at 31 December	18,599	15,237	11,580
Equity settled own share derivatives			
Balance at 1 January			(106)
Issuances and settlements			106
Balance at 31 December			
Net gains/(losses) not recognised in the income statement			

Currency translation account			
Balance at 1 January	842	(238)	
Transfer to income statement relating to disposals	(7)	(20)	2
Currency translation differences	(427)	1,100	(240)
Subtotal Balance at 31 December	408	842	(238)
Net unrealised gains/(losses) on available-for-sale assets			
Balance at 1 January	1,199	830	572
Net unrealised gains/(losses) on available-for-sale assets	(233)	717	509
Net losses/(gains) reclassified to the income statement	(602)	(348)	(251)
Subtotal Balance at 31 December	364	1,199	830

Cash flow hedging reserve			
Balance at 1 January	(795)	(283)	(165)
Net unrealised gains/(losses) on cash flow hedges	735	(386)	106
Net losses/(gains) reclassified to the income statement	(215)	(126)	(224)
Subtotal Balance at 31 December	(275)	(795)	(283)
Net gains/(losses) not recognized in the income statement at 31 December	497	1,246	309
Equity attributable to shareholders of the parent company at 31 December	23,597	22,221	14,815
Minority interest			
Balance at 1 January	1,931	1,737	1,301
Additions	208	202	367
Reductions		(49)	
Acquisitions/disposals	203	(136)	(30)
Profit attributable to minority interests	65	61	75
Currency translation differences	(46)	133	33
Other movements	(63)	(17)	(9)
Equity attributable to minority interests at 31 December	2,298	1,931	1,737
Total equity at 31 December	25,895	24,152	16,552

**   T he proposed final dividend of EUR 0.60 per share for 2006 is not reflected in the movement table above and will be recorded in 2007 at the time of distribution.*

The notes to the consolidated financial statements are an integral part of these statements

Consolidated statement of comprehensive income for the year ended 31 December

	2006	2005	2004
		(in millions of euros)	
Profit attributable to shareholders of the parent company	4,715	4,382	3,865
Gains/(losses) not recognised in income:			
Currency translation differences	(427)	1,100	(240)
Available-for-sale assets	(233)	717	509
Cash flow hedges	735	(386)	106
	75	1,431	375
Net unrealised (gains)/losses reclassified to income:			
Currency translation differences relating to disposed subsidiaries	(7)	(20)	2
Available-for-sale assets	(602)	(348)	(251)
From cash flow hedging reserve	(215)	(126)	(224)
	(824)	(494)	(473)
Comprehensive income for the year	3,966	5,319	3,767

The statement of comprehensive income for the year presents all movements in equity attributable to shareholders of the parent company other than changes in issued share capital, distributions to shareholders and share buy backs.

Consolidated cash flow statement for the year ended 31 December

	2006	2005	2004
		(in millions of euros)	
Operating activities			
Profit for the year	4,780	4,443	3,940
Less: Profit from discontinued operations	609	187	1,651
Profit from continuing operations	4,171	4,256	2,289
Adjustments for significant non-cash items included in income			
Depreciation, amortisation and impairment	1,331	1,004	1,218
Loan impairment losses	2,108	871	777
Share of result in equity accounted investments	(243)	(263)	(206)
Movements in operating assets and liabilities			
Movements in operating assets [36]	(77,392)	(105,368)	(119,343)
Movements in operating liabilities [36]	64,981	80,461	98,722
Other adjustments			
Dividends received from equity accounted investments	72	63	59
Cash flows from operating activities from continuing operations	(4,972)	(18,976)	(16,484)
Net cash flows from operating activities from discontinued operations	314	200	437
Investing activities			
Acquisition of investments	(180,228)	(142,423)	(78,760)
Sales and redemption of investments	172,454	129,811	76,338
Acquisition of property and equipment	(1,138)	(2,028)	(1,966)
Sales of property and equipment	255	1,063	1,131
Acquisition of intangibles (excluding goodwill and MSRs)	(800)	(431)	(335)
Sales of intangibles (excluding goodwill and MSRs)	12	9	50
Acquisition of subsidiaries and equity accounted investments	(7,449)	(1,702)	(276)
Disposal of subsidiaries and equity accounted investments	258	530	153
Cash flows from investing activities from continuing operations	(16,636)	(15,171)	(3,665)
Net cash flows from investing activities from discontinued operations	1,574	(14)	2,513
Financing activities			
Issuance of subordinated liabilities	4,062	2,975	2,203
Repayment of subordinated liabilities	(4,430)	(1,664)	(2,690)
Issuance of other long-term funding	35,588	35,483	21,863
Repayment of other long-term funding	(14,343)	(6,453)	(6,180)
Proceeds from the issue of shares	-	2,491	-
Net (decrease)/increase in treasury shares	(2,061)	32	(513)
Other	276	92	334
Dividends paid	(807)	(659)	(694)
Cash flows from financing activities from continuing operations	18,285	32,297	14,323
Net cash flows from financing activities from discontinued operations	-	(1,185)	2,422

Movement in cash and cash equivalents	(1,435)	(2,849)	(454)
Cash and cash equivalents at 1 January	6,043	8,603	9,016
Currency translation differences	264	289	41
Cash and cash equivalents at 31 December 36	4,872	6,043	8,603

Numbers stated against items refer to the notes. The notes to the consolidated financial statements are an integral part of these statements.

Notes to the consolidated financial statements

(unless otherwise stated, all amounts are in millions of euros)

1 Segment reporting

Segment information is presented in respect of the Group s business. The primary format, business segments, is consistent with the Group s management and internal reporting structure applicable in the financial year.

Measurement of segment assets, liabilities, income and results is based on the Group s accounting policies. Segment assets, liabilities, income and results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Transactions between segments are conducted at arm s length.

Business segments

Below the business segments are detailed. In the Business review chapter of the Annual Report more detailed descriptions of the activities of these segments have been included.

Netherlands

BU Netherlands serves a diverse client base that comprises consumer and commercial clients. BU Netherlands offers a broad range of investment, commercial and retail banking products and services via its multi-channel service model consisting of a network of branches, internet banking facilities, a customer contact center and ATMs throughout the Netherlands. BU Netherlands focuses increasingly on mass affluent customers and commercial mid-market clients. BU Netherlands also comprises the ABN AMRO Mortgage Group including the former Bouwfonds mortgage activities. The non-mortgage activities of Bouwfonds were sold during the year.

Europe (including Antonveneta)

BU Europe provides its consumer and commercial clients with a range of financial products and services. Its regional strategies and operations are closely aligned with those of ABN AMRO s global BUs.

BU Europe combines activities in 27 countries: 23 countries in Europe (excluding the Netherlands) along with Kazakhstan, Uzbekistan, Egypt and South Africa.

ABN AMRO acquired a majority stake in Antonveneta in January 2006 and launched a tender offer for the remaining shares on 27 February 2006. It acquired 100% of the bank in July 2006 after it exercised its right to purchase the shares it did not yet own following its tender offer.

Antonveneta is rooted in north-eastern Italy, and focuses on consumer and commercial mid-market clients.

North America

The core of BU North America is LaSalle Bank, headquartered in Chicago, Illinois. BU North America serves a large number of clients, including small businesses, mid-market companies, larger corporates, institutions, non-profit entities and municipalities in the US and Canada. BU North America offers a broad range of investment, commercial and retail banking products and services through a network of branches and ATMs in Illinois, Michigan and Indiana. BU North America focuses increasingly on mass affluent customers and commercial mid-market clients. While based in the US Midwest, BU North America reaches further through an expanding network of regional commercial banking offices across the US.

Latin America

BU Latin America has a presence in nine Latin American countries: Brazil, Argentina, Chile, Colombia, Ecuador, Mexico, Paraguay, Uruguay and Venezuela, with the presence of Banco Real representing the majority of the operations. In Brazil, Banco Real is a retail and commercial bank, offering full retail, corporate and investment banking products and services. It operates as a universal bank offering financial services through an extensive network of branches, points-of-sale and ATMs. BU Latin America also has a strong presence in the Brazilian consumer finance business through its Aymor é franchise, focused on vehicle and other consumer goods financing.

Asia

ABN AMRO has been operating for well over 100 years in several Asian countries including Indonesia, China, Singapore and Japan. BU Asia now covers 16 countries and territories and is extending its branches and offices network. BU Asia s client base includes commercial clients as well as consumer and private banking clients.

Global Clients

BU Global Clients serves a range of major corporate and institutional clients that demand sophisticated financial solutions customised to their specific needs.

BU Global Clients is organised around six hubs (Amsterdam, London, New York, Hong Kong, S ã o Paulo and Sydney). The financial results of BU Global Clients also reflect the contribution of ABN AMRO Mellon, a joint venture with the Mellon Financial Corporation that provides global custody and value added services to institutional investors worldwide.

Private Clients

BU Private Clients offers private banking services to wealthy individuals and institutions with EUR 1 million or more in net investable assets. In the past few years, BU Private Clients built up an onshore private banking network in continental Europe through organic growth in the Netherlands and France, and through the acquisition of Delbr ü ck Bethmann Maffei in Germany and Bank Corluy in Belgium.

Asset Management

BU Asset Management is ABN AMRO s global asset management business. BU Asset Management operates in 26 countries worldwide, offering investment products in all major regions and asset classes. Its products are distributed directly to institutional clients such as central banks, pension funds, insurance companies and leading charities. Funds for private investors are distributed through ABN AMRO s consumer and private banking arms, as well as via third-party distributors such as insurance companies and other banks. The institutional client business represents just over half of the assets managed by BU Asset Management. Consumer and third-party clients account for a further 30%, and the remainder is in discretionary portfolios managed for BU Private Clients.

Private Equity

The business model of ABN AMRO s Private Equity unit - branded as ABN AMRO Capital - involves providing capital and expertise to non-listed companies in a variety of sectors. By obtaining, in most cases, a majority stake, Private Equity gains the ability to influence the company s growth strategy and increase its profitability. It then aims to sell its shareholding at a profit after a number of years. Private Equity specialises in European mid-market buyouts, but also manages a portfolio of investments in Australian buyouts, non-controlling and controlling shareholdings in small to medium sized Dutch companies (participaties), and dedicated media and telecom sector investments. It operates from seven offices across Europe and Australia.

Group Functions, including Group Services

Group Functions provides guidance on ABN AMRO s corporate strategy and supports the implementation of the strategy in accordance with our Managing for Value methodology, Corporate Values and Business Principles. By aligning and uniting functions across ABN AMRO s BUs and geographical territories, Group Functions also facilitates Group-wide sharing of best practices, innovation and positioning to public authorities, and binds the bank together in both an operational and cultural sense.

Group Functions includes Group Asset and Liability Management, which manages an investment and derivatives portfolio in order to manage the liquidity and interest rate risks of the Group. Group Functions also holds the Group s strategic investments, proprietary trading portfolio and records any related profits or losses.

Business segment information for the year ended 31 December 2006

	Netherlands	Europe	North America	Latin America	Asia	Global Clients	Private Clients	Asset Mana-gement	Private Equity	Group Functions	Total
Net interest income - external	2,574	3,414	2,224	2,970	240	1,355	(959)	9	(160)	(1,092)	10,575
Net interest income - other segments	504	(2,098)	124	(65)	271	(800)	1,503	(24)	(139)	724	-
Net fee and commission income - external	711	1,011	653	449	496	1,256	671	704	18	93	6,062
Net fee and commission income - other segment	40	(228)	44	35	97	(10)	29	13	(6)	(14)	-
Net trading income	486	1,032	229	209	310	563	64	(4)	13	77	2,979
Result from financial transactions	28	169	155	34	12	41	4	40	422	182	1,087
Share of result in equity accounted investments	51	1	4	55	62	-	2	1	-	67	243
Other operating income	246	111	313	51	31	3	75	89	2	461	1,382
Income of consolidated private equity holdings	-	-	-	-	-	-	-	-	5,313	-	5,313
Total operating income	4,640	3,412	3,746	3,738	1,519	2,408	1,389	828	5,463	498	27,641
Total operating expenses	3,118	2,743	2,457	2,219	1,089	2,144	956	528	5,031	428	20,713
Loan impairment and credit risk provision	359	397	38	722	218	(27)	40	-	26	82	1,855
Total expenses	3,477	3,140	2,495	2,941	1,307	2,117	996	528	5,057	510	22,568
Operating profit/loss before taxes	1,163	272	1,251	797	212	291	393	300	406	(12)	5,073
Income tax expense	319	229	167	149	101	(13)	121	65	(3)	(233)	902
Profit from continuing operations	844	43	1,084	648	111	304	272	235	409	221	4,171
Profit from discontinued operations net of tax	505	-	104	-	-	-	-	-	-	-	609
Profit for the year	1,349	43	1,188	648	111	304	272	235	409	221	4,780
Other information at 31 December 2006											
Total assets	169,862	390,326	163,276	36,169	60,187	69,443	20,510	1,402	7,706	68,183	987,064
Of which equity accounted investments	189	14	-	39	369	-	6	10	23	877	1,527
Total liabilities	168,755	385,016	156,100	31,415	58,307	61,314	19,012	1,044	6,560	73,646	961,169
Capital expenditure	373	130	181	142	85	1	39	17	451	204	1,623

Business segment information for the year ended 31 December 2005

	Netherlands	Europe	North America	Latin America	Asia	Global Clients	Private Clients	Asset Mana-gement	Private Equity	Group Functions	Total
Net interest income - external	758	2,163	2,291	2,225	323	1,549	(690)	(11)	(93)	270	8,785
Net interest income - other segments	2,570	(2,411)	(80)	(15)	241	(903)	1,219	17	(107)	(531)	-
Net fee and commission income - external	604	450	730	377	378	831	583	590	26	122	4,691
Net fee and commission income - other segments	106	(149)	4	2	43	-	29	6	(9)	(32)	-
Net trading income	392	957	269	57	131	711	44	14	(13)	59	2,621
Result from financial transactions	2	25	79	11	4	121	11	55	353	620	1,281
Share of result in equity accounted investments	13	3	4	37	73	-	1	18	-	114	263
Other operating income	184	72	224	369	44	13	100	23	1	26	1,056
Income of consolidated private equity holdings	-	-	-	-	-	128	-	-	3,509	-	3,637
Total operating income	4,629	1,110	3,521	3,063	1,237	2,450	1,297	712	3,667	648	22,334
Total operating expenses	3,282	1,208	2,299	1,848	914	1,869	915	501	3,391	74	16,301
Loan impairment and credit risk provisions	285	(35)	(86)	348	27	(50)	16	-	34	96	635
Total expenses	3,567	1,173	2,213	2,196	941	1,819	931	501	3,425	170	16,936
Operating profit/loss before taxes	1,062	(63)	1,308	867	296	631	366	211	242	478	5,398
Income tax expense	323	40	273	265	90	78	87	40	(21)	(33)	1,142
Profit/loss from continuing operations	739	(103)	1,035	602	206	553	279	171	263	511	4,256
Profit/loss from discontinued operations net of tax	136	-	51	-	-	-	-	-	-	-	187
Profit/loss for the year	875	(103)	1,086	602	206	553	279	171	263	511	4,443
Other information at 31 December 2005											
Total assets	176,874	304,818	148,392	27,903	57,280	54,585	19,111	1,199	7,293	83,349	880,804
Of which equity accounted investments	163	27	-	40	371	-	5	13	7	2,367	2,993
Total liabilities	175,851	300,386	142,426	23,812	55,746	53,267	17,642	1,051	6,268	80,203	856,652
Capital expenditure	286	91	301	145	70	25	26	41	190	91	1,266

Business segment information for the year ended 31 December 2004

	Netherlands	Europe	North America	Latin America	Asia	Global Clients	Private Clients	Asset Management	Private Equity	Group Functions	Total
Net interest income - external	1,234	1,391	2,681	1,688	334	1,423	(429)	(12)	(80)	295	8,525
Net interest income - other segments	1,857	(1,180)	(349)	(152)	87	(855)	888	17	(33)	(280)	-
Net fee and commission income - external	628	458	632	340	394	860	537	531	8	97	4,485
Net fee and commission income - other segments	40	(46)	(13)	4	(11)	-	23	4	-	(1)	-
Net trading income	213	179	182	(6)	120	519	53	9	3	37	1,309
Result from financial transactions	19	(118)	(196)	(4)	(3)	133	1	10	579	484	905
Result in equity accounted investments	32	-	2	9	127	-	14	2	-	20	206
Other operating income	204	(6)	288	152	22	8	59	34	(25)	9	745
Income of consolidated private equity holdings	-	-	-	-	-	-	-	-	2,616	-	2,616
Total operating income	4,227	678	3,227	2,031	1,070	2,088	1,146	595	3,068	661	18,791
Total operating expenses	3,525	1,293	2,164	1,386	710	1,782	869	444	2,614	393	15,180
Loan impairment and credit risk provisions	177	(60)	161	230	3	49	7	-	16	24	607
Total expenses	3,702	1,233	2,325	1,616	713	1,831	876	444	2,630	417	15,787
Operating profit/loss before taxes	525	(555)	902	415	357	257	270	151	438	244	3,004
Income tax expense	159	(131)	161	174	83	68	78	46	33	44	715
Profit/loss from continuing operations	366	(424)	741	241	274	189	192	105	405	200	2,289
Profit/loss from discontinued operations net of tax	146	-	58	-	240	-	-	-	-	1,207	1,651
Profit/loss for the year	512	(424)	799	241	514	189	192	105	405	1,407	3,940
Other information at 31 December 2004											
Total assets	174,102	236,558	129,834	18,371	46,943	32,137	16,416	954	4,136	68,003	727,454
Of which equity accounted investments	140	19	-	22	253	-	5	12	5	972	1,428
Total liabilities	202,650	196,839	123,702	15,703	41,164	35,899	45,307	1,113	2,843	45,682	710,902
Capital expenditure	367	57	380	112	50	26	48	6	83	23	1,152

Geographical segments

The geographical analysis presented below is based on the location of the Group entity in which the transactions are recorded.

	2006			2005			2004		
	Operating income	**Total assets**	**Capital expenditure**	**Operating income**	**Total assets**	**Capital expenditure**	**Operating income**	**Total assets**	**Capital expenditure**
The Netherlands	11,440	289,984	899	9,255	285,073	577	8,497	267,222	473
Europe	6,040	419,691	179	4,672	332,922	153	2,324	254,562	122
North America	4,041	168,533	315	3,911	167,128	314	4,467	133,592	391
Latin America	3,961	36,976	141	3,271	28,420	145	2,305	18,274	113
Asia Pacific	2,159	71,880	89	1,225	67,261	77	1,198	53,804	53
Total	27,641	987,064	1,623	22,334	880,804	1,266	18,791	727,454	1,152

2 Acquisitions and disposals of subsidiaries

Major acquisitions in 2006, 2005 and 2004

The following major acquisitions were made in 2006, 2005 and 2004 and were accounted for using the purchase method:

Acquired companies	% acquired	Consideration	Total assets	Acquisition Date
2006				
Antonveneta	100	7,499	49,367	various
Private equity acquisitions	51-100	105	1,295	various
2005				
Bank Corluy	100	50	121	April 2005
Private equity acquisitions	51-100	43	2,174	various
2004				
Bethmann Maffei	100	110	812	January 2004
Private equity acquisitions	51-100	112	963	various

Acquisitions 2006

Antonveneta

On 2 January 2006 the Group acquired a controlling interest in Banca Antoniana Popolare Veneta (Antonveneta) in order to increase its mid-market footprint, and accelerate the existing partnership that gives access to the large Italian banking market and the customer base of Antonveneta.

During 2005 the Group had already increased its interest in Antonveneta from 12.7% to 29.9%. The purchase of 79.9 million shares of Antonveneta from Banca Popolare Italiana on 2 January 2006 resulted in the Group acquiring a controlling 55.8% share. Following purchases of shares in the open market, a public offering and the exercise of the Group s right under Italian law to acquire minority share holdings, ABN AMRO now owns 100% of the outstanding share capital of Antonveneta.

The Group paid EUR 26.50 per share for Antonveneta, representing a total consideration of EUR 7,499 million. Total goodwill arising from the acquisition amounted to EUR 4,399 million, reflecting final adjustments to the purchase price and an adjustment to the fair value of the purchased loan portfolio over and above the provisional goodwill amount calculated at EUR 4,273 million as at 2 January 2006. For further details on the purchase price adjustments and goodwill calculation please refer to note 22. In addition, the Group has recognised newly identifiable intangible assets amounting to EUR 1,194 million. For further details on intangible assets please refer to note 22.

The impact of consolidating Antonveneta in the figures of ABN AMRO Holding N.V. as at 31 December 2006 can be summarised as follows:

Income statement

	Year ended 31 December 2006
Operating income	2,071
Operating expenses	1,310
Loan impairment and other credit risk provisions	382
Operating profit before tax	379
Income tax expense	187
Profit for the year	192

Balance sheet

	31 December 2006
Loans and receivables - banks	4,640
Loans and receivables - customers	38,070
Sundry assets	8,775
Total assets	51,485
Due to banks	11,777
Due to customers	19,742
Issued debt securities	9,803
Sundry liabilities	6,623
Total liabilities	47,945

BU Asset Management

In February 2006, BU Asset Management acquired International Asset Management, a fund of hedge funds manager. The integration of this acquisition was completed in May 2006. In June 2006, BU Asset Management increased its share in its Beijing joint venture to 49% and changed local partner from XiangCai Securities to Northern Trust, a member of Tianjin TEDA holdings.

VermogensGroep

In October 2006, the Group acquired a majority share in VermogensGroep to expand its Private Clients business in the Netherlands.

Banco ABN AMRO Real

On 20 September 2006, ABN AMRO exercised its right to call Banca Intesa s remaining 3.86% holding in Banco ABN AMRO Real. The total consideration for the acquisition of the shares amounted to EUR 233 million. After the exercise of the rights ABN AMRO owns 97.5% of the shares in Banco ABN AMRO Real.

Capitalia

On 18 October 2006 the Group purchased 24.6 million shares, representing a stake of 0.95%, in Capitalia from Pirelli S.p.A. After this purchase the Group has a stake of 8.60% in Capitalia. The consideration paid for the shares amounted to EUR 165 million.

Private Equity

Major new buy-out investments in 2006 were:

U-pol (United Kingdom, automotive manufacturing)

OFIC (France, isolation materials)

Lucas Bols (Netherlands, branded liqueurs and spirits)

Nextira One (France, integrated enterprise network solutions)

Volution (United Kingdom, construction)

Douglas Hanson (United States, manufacturing, add-on to Loparex, Sweden)

Amitco (United Kingdom, manufacturing)

Saunatec (Finland, manufacturing).

Disposals 2006

Asset Management

In April 2006 BU Asset Management disposed of its US mutual fund business to Highbury Financial Inc. The sale involved 19 mutual funds accounting for USD 6 billion assets under management. The net profit on the sale amounted to EUR 17 million. In July 2006, BU Asset Management sold its onshore Taiwanese asset management business to ING Group. The profit on the sale amounted to EUR 38 million, included in other operating income.

Kereskedelmi é s Hitelbank Rt

In May 2006, ABN AMRO completed the sale of its 40% participation in Kereskedelmi é s Hitelbank Rt of Hungary, as announced in December 2005, for a consideration of EUR 510 million to KBC Bank. The profit recognised on the sale included in other operating income is EUR 208 million.

Global Futures business

On 30 September 2006 ABN AMRO sold the Global Futures business for an amount of EUR 305 million (USD 386 million). The net profit on the sale amounted to EUR 190 million (EUR 229 million gross). During 2006 the Global Futures business contributed EUR 163 million of operating income and a net loss of EUR 24 million.

Private Clients

In May 2006, BU Private Clients sold its business in Denmark and in December 2006 it disposed of its business in Monaco, to focus on growth in other private banking markets and further enhance the efficiency of its global structure.

Bouwfonds non-mortgage

On 1 December 2006 the Group disposed of the property development and management activities of its Bouwfonds subsidiary. The Bouwfonds Property Development, Bouwfonds Asset Management, Bouwfonds Fondsenbeheer, Rijnlandse Bank and Bouwfonds Holding were sold to Rabobank for a cash consideration of EUR 852 million and the Bouwfonds Property Finance activities were sold to SNS Bank for a cash consideration of EUR 825 million. The total net gain on the sale of Bouwfonds amounted to EUR 338 million.

The operating result and disposal gain of the Bouwfonds businesses sold have been reported as discontinued operations in the income statement.

Private Equity

In 2006 major divestments were:

Holland Railconsult (Netherlands, railway engineering)

Kreatel Communications (Sweden, telecommunications)

Sogetrel (France, telecommunications)

Radio Holland Group (Netherlands, maritime navigation and communication systems)

RTD (Netherlands, industrial non-destructive testing services)

Jessops (United Kingdom, retail)

Dennis Eagle (United Kingdom, industrial).

Acquisitions 2005

Bank Corluy

In April 2005 the acquisition of the Belgian private bank Bank Corluy was completed. The purchase price amounted to EUR 50 million. Total Assets under Management of this entity were over EUR 1.5 billion. The net asset value acquired amounted to EUR 20 million, resulting in capitalised goodwill of EUR 30 million.

Bouwfonds

In April 2005, we exercised our right to acquire the cumulative preference shares of Bouwfonds in order to obtain full legal control, in addition to the 100% economic interest we acquired in 2000.

Artemis

In December 2005, we increased our shareholding in the UK based asset management company Artemis from 58% to 71%. The consideration paid for this increase amounted to EUR 107 million.

Private Equity

Major new buy-out investments in 2005 were:

- FlexLink (Sweden, engineering)
- Strix (UK, engineering)
- Fortex (Netherlands, support services)
- Loparex (Finland, industrial products)
- Everod (Australia, medical services)
- Bel m (France, consumer products)
- IMCD (Netherlands, chemicals), Nueva Terrain (Spain, construction)
- Roompot (Netherlands, leisure)
- Scotts and McColls (Australia, transportation)
- Bonna Sabla (France, industrial products & services)
- Bianchi Vending (Italy, business products & supplies).

Disposals 2005

ABN AMRO Trust Holding

In June 2005, the sale of ABN AMRO Trust Holding to Equity Trust was completed. The Trust and Management Services performed in Asia, Europe and the Caribbean were transferred to Equity Trust. The profit on the sale amounted to EUR 17 million.

Nachenius Tjeenk & Co.

In July 2005, the sale of Nachenius Tjeenk to BNP Paribas was completed. The net profit on sale amounted to EUR 38 million.

Real Seguros S.A.

In July 2005, ABN AMRO and Tokio Marine & Nichido Fire Insurance Co., Ltd. (TMNF), an integral subsidiary of Millea Holdings, Inc. announced that TMNF would purchase from ABN AMRO 100% of Real Seguros S.A., and establish a 50/50 joint venture in Real Vida e Previd ê ncia S.A. As part of the agreement, ABN AMRO agreed to distribute on an exclusive basis through its retail network in Brazil, insurance and pension products. The net profit on the sale amounted to EUR 196 million.

Private Equity

In 2005 major divestments were:

Handicare (Norway, medical equipment)

MobilTel (Bulgaria, communications)

AUSDOC (Australia, support services)

Puzzler Media (UK, media).

Dilution of investment 2005

Capitalia

In December 2005, Capitalia issued additional shares. Because we did not participate in this offering, our shareholding reflects a dilutive effect and decreased from 9% to 8%.

Acquisitions 2004

Bethmann Maffei

In January 2004, we acquired Bethmann Maffei, a private bank in Germany for EUR 110 million. We then merged it with Delbr ü ck & Co to form Delbr ü ck Bethmann Maffei. With more than EUR 10 billion in Assets under Management, Delbr ü ck Bethmann Maffei is one of the top five private banks in Germany.

Sparebank 1 Aktiv Forvaltning

In February 2004, we acquired the asset management activities of Sparebank 1 Aktiv Forvaltning of Norway.

Disposals 2004

Bank Austria

In February 2004, we sold our stake in Bank Austria for a net profit of EUR 115 million.

US Professional Brokerage

In April 2004, we sold our US Professional Brokerage unit to Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Bank of Asia

In July 2004, we sold our controlling 80.77% interest in Bank of Asia in Thailand to the United Overseas Bank for a total cash consideration of THB 22,019 million or EUR 442 million as per 27 July 2004. The operating result and disposal gain of EUR 224 million have been reported as discontinued operations in the profit and loss account.

LeasePlan Corporation

In November 2004, we sold LeasePlan Corporation of the Netherlands for a net profit of EUR 844 million (under Dutch GAAP) to a consortium of investors led by Volkswagen Group. The operating result and disposal gain have been reported as discontinued operations in the profit and loss account.

Executive Relocation Corporation

In November 2004, we sold our US employee relocation management and consulting firm, Executive Relocation Corporation, to SIRVA Inc. of the United States for USD 100 million.

US defined contribution pensions administration business

On 31 December 2004, Business Unit Asset Management sold its US defined contribution pensions (401(k)) administration business to Principal Financial Group of the United States.

3 Net interest income

	2006	**2005**	**2004**
Interest income from:			
Cash and balances at central banks	459	348	218
Financial assets held for trading	2,101	1,559	1,389
Financial investments	5,433	5,191	4,186
Loans and receivables - banks	4,001	2,660	2,078
Loans and receivables - customers	25,704	19,887	16,657
Subtotal	37,698	29,645	24,528
Interest expense from:			

Financial liabilities held for trading	1,289	1,054	976
Due to banks	5,449	5,037	3,941
Due to customers	12,208	9,616	7,254
Issued debt securities	7,140	4,160	2,744
Subordinated liabilities	1,037	993	1,088
Subtotal	27,123	20,860	16,003
Total	10,575	8,785	8,525

4 Net fee and commission income

	2006	2005	2004
Fee and commission income			
Securities brokerage fees	1,785	1,560	1,548
Payment and transaction services fees	2,123	1,530	1,401
Asset management and trust fees	1,562	1,153	1,041