



Microfinance: a way to reduce poverty?

Barcelona, 19 May 2005

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ABN AMRO: who we are

- ◆ Since 1824; originated in the Netherlands
- ◆ Strategy:
 - creating value for our clients by offering high-quality financial solutions which meet best their current needs and long-term goals (WCS, C&CC, PC/NGM)
- ◆ Some numbers (end of 2004):
 - net profit: EUR 4,109m
 - balance sheet total: EUR 608.6bn
 - over 105,000 employees (in fte's)
 - active in almost 60 countries (Netherlands, Brazil, US)

Corporate Values and Business Principles

Corporate Values: Integrity, Professionalism, Teamwork, Respect

Business Principles:

ABN AMRO employees

1. We are the heart of our organisation
2. We pursue excellence

Our shareholders

3. We aim to maximise long-term shareholder value
4. We manage risk prudently and professionally

Our clients

5. We strive to provide excellent service
6. We build our business on confidentiality

Our business partners

7. We assess business partners on their standards

Society

8. We are a responsible institution and a good corporate citizen
9. We respect human rights and the environment

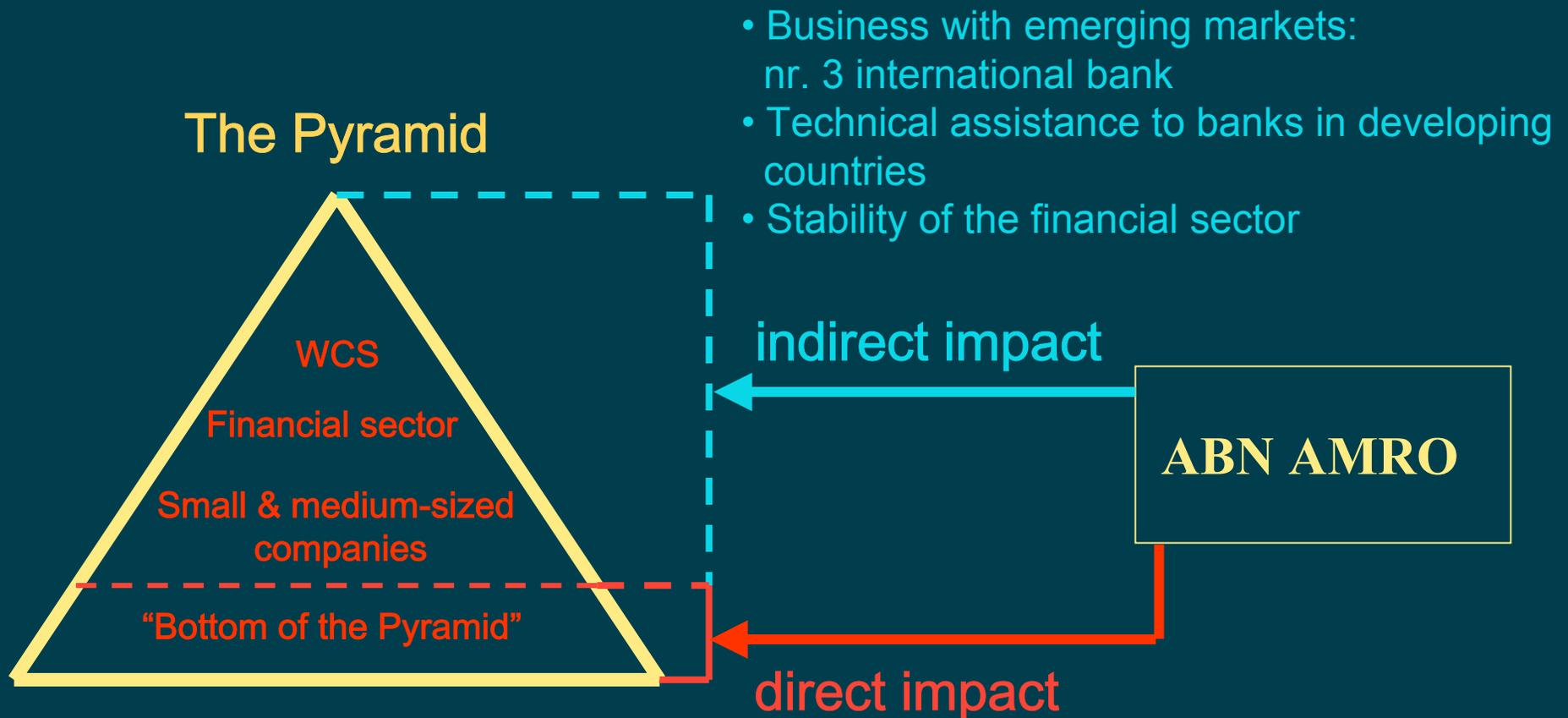
Compliance

10. We are accountable for our actions and open about them

Our approach on sustainability

- ◆ PPP = starting point
- ◆ Role of the private sector
- ◆ “Direct and indirect foot print”
- ◆ Co-operation and partnerships
- ◆ Millennium Development Goals & UN Global Compact

Microfinance and other options



ABN AMRO microfinance in daily practice

Key features:

- Direct impact on poverty
- Microfinance integrated in business lines
- and consequently: no charity

Our current activities:

- Brazil: direct microfinance through RealMicrocrédito
- India: wholesale microfinance
- Global:
 - Shorecap (around 10% stake)
 - FMO (17% stake)

Microfinance in Brazil

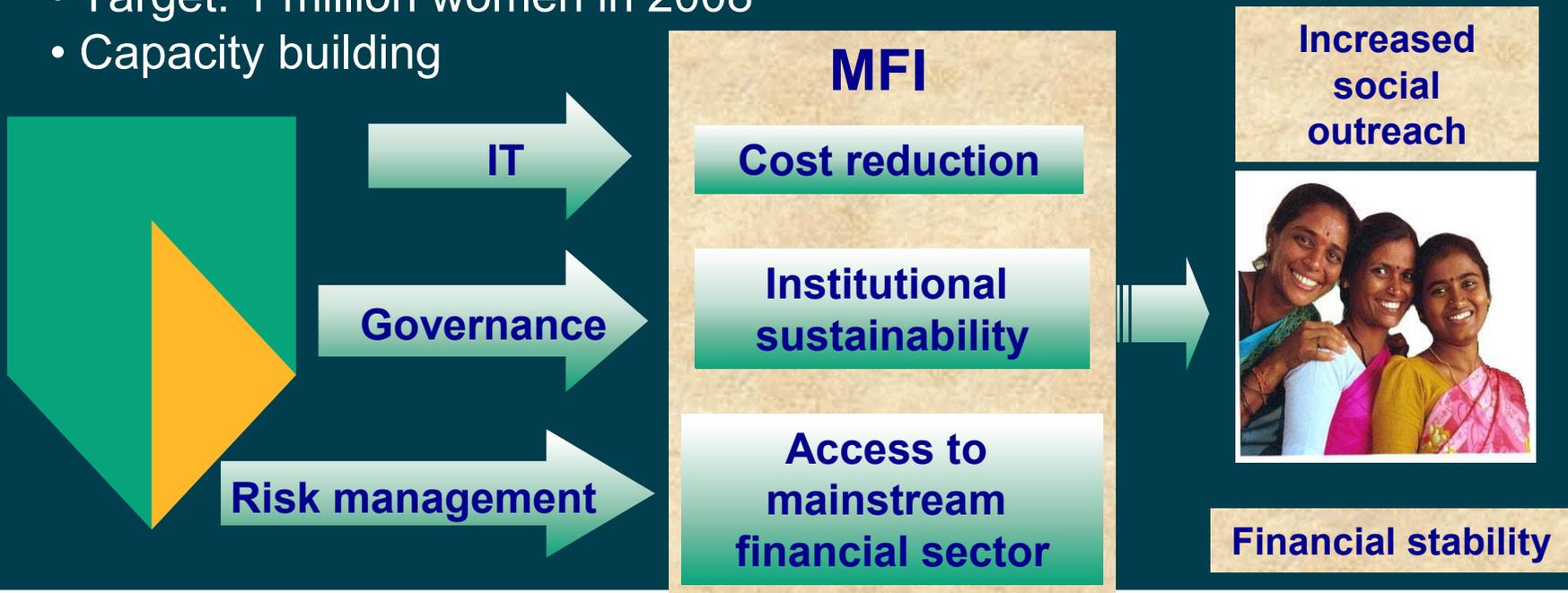
Direct microfinance:

- Joint-venture between ABN AMRO (80%) and Accion (20%)
- Started in 2002
- First commercial bank involved in microfinance
- Current loan portfolio: Euro 1.8m
- Current number of clients: approx. 5,000
- Target: 18,000 by the end of 2005
- Default rate is declining and currently around 4%
- Around 50% of the client base is female

Microfinance in India

ABN AMRO India

- Started in September 2003
- 11 local MFI partners
- Current loan portfolio: Euro 4.1m
- Current number of clients: approx. 70,000
- Target: 1 million women in 2008
- Capacity building



Final remarks and conclusion

Looking for new opportunities in several other countries:

- local ABN AMRO presence
- potentially strong (local) partners
- wholesale model

We believe microfinance is a way out of poverty for some groups of people, but it is not the single way...

and therefore we continue to develop both microfinance activities and other opportunities.