

ABN AMRO & Micro Finance



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I. Agenda

I. Introduction

II. Micro Finance at ABN AMRO

III. Key Challenges

IV. Conclusions

II. Micro Finance at ABN AMRO

Why involved in MF?

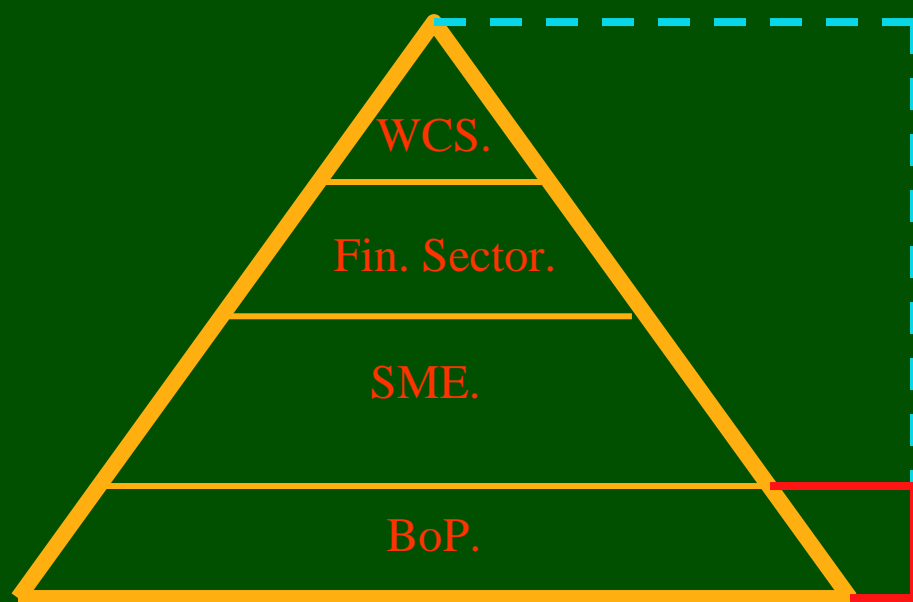
- **Part of Sustainable Development Strategy**
Integrate triple P - people, planet, profit - in core business
 - ↳ MF not set apart in Charity Foundation
- **Contribute directly to poverty alleviation & other UN MDGs**

Where	Entity involved	How
Brazil:	Real Micro Credito	Direct MF
India:	ABN AMRO India	WCS MF
Globally:	ShoreCap	WCS MF
	FMO	WCS MF

II. Micro Finance at ABN AMRO

Direct & indirect Impact on Poverty

The Pyramid



*Indirect
Impact*

- Business with Emerging Markets
- CB exposure: US\$ 40 billion
 - BIS market share: approx. 3%
 - Nr 3 International bank

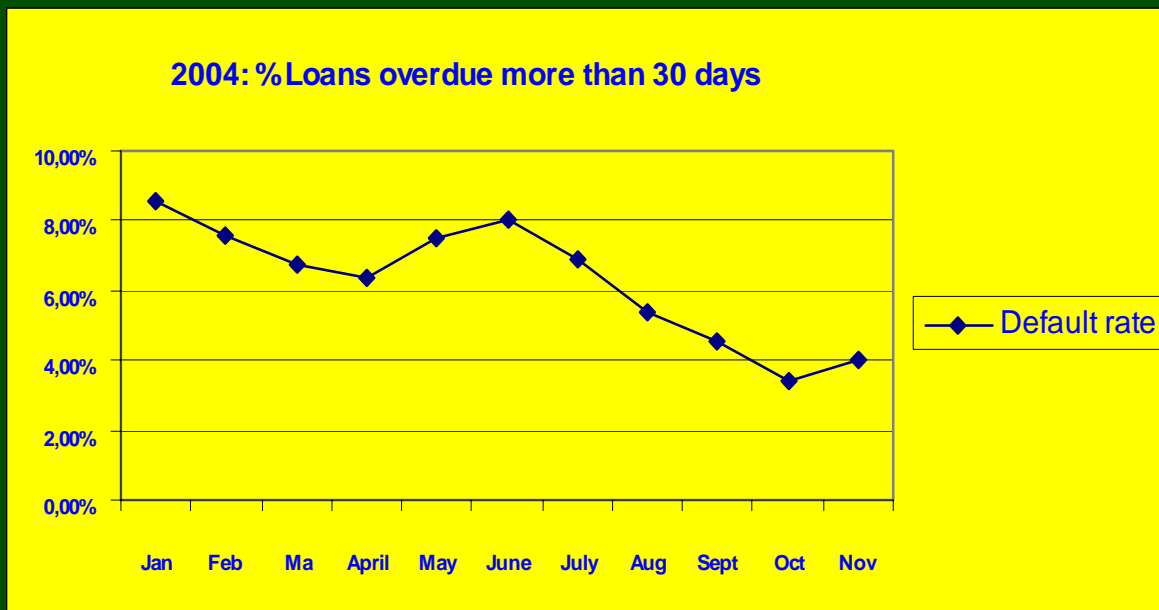
ABN AMRO

*Direct
Impact*

II. Micro Finance at ABN AMRO

ABN AMRO Brazil (Direct MF)

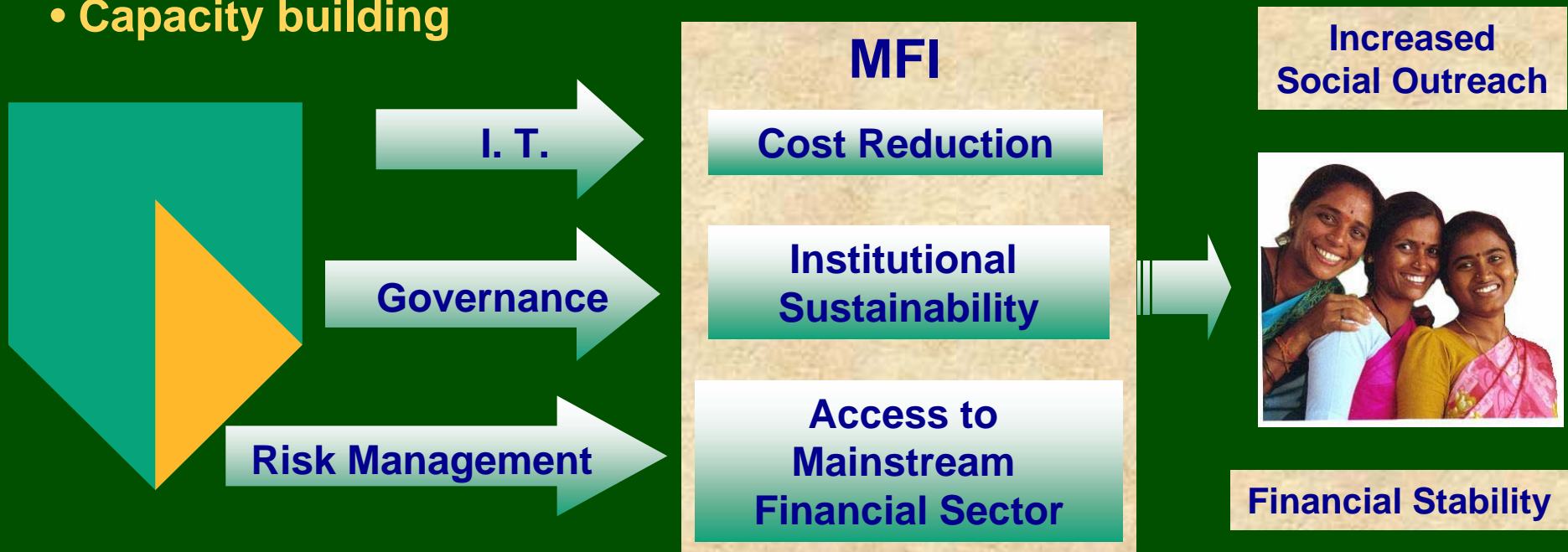
- JV ABN AMRO (80%) / Accion (20%)
- Started in 2002
- 1st commercial bank involved in MF
- Loan Portfolio: Euro 1.1 Million
- Nr. Of Clients: approx. 3000
- Target: 18.000 by the end of 2005



II. Micro Finance at ABN AMRO

ABN AMRO India (WCS MF)

- Started in Sept. 2003
- 10 local MFI partners
- Loan Portfolio: Euro 4.1 Million
- Nr. Of Clients: approx. 70.000
- Target: 1 million Women in 2008
- Capacity building



II. Micro Finance at ABN AMRO

Micro Finance & way Going Forward:

- Further expansion in Brazil & India
- Research for introduction of MF in other ABN AMRO countries
- Strengthen co-operation with MLAs & aid community
 - MF Guarantees
 - MF & Co-financing
 - MF & Technical assistance subsidies
 - B2B structures to assist funding by foreign MF donor organizations
- Assist in Capacity building

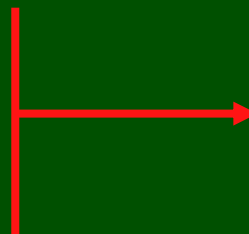
III. Key Challenges

UN Millennium Development Goals:

1. Eradicate extreme Poverty & Hunger
2. Achieve universal Primary Education
3. Promote gender equality & empower Women
4. Reduce Child mortality
5. Improve Maternal Health
6. Combat HIV / AIDS
7. Ensure Environmental Sustainability
8. Develop Global Partnership for Development

International Aid & MDG Review:

2003: US\$ 69 billion
2006: US\$ 135 Billion
2015: US\$ 195 billion

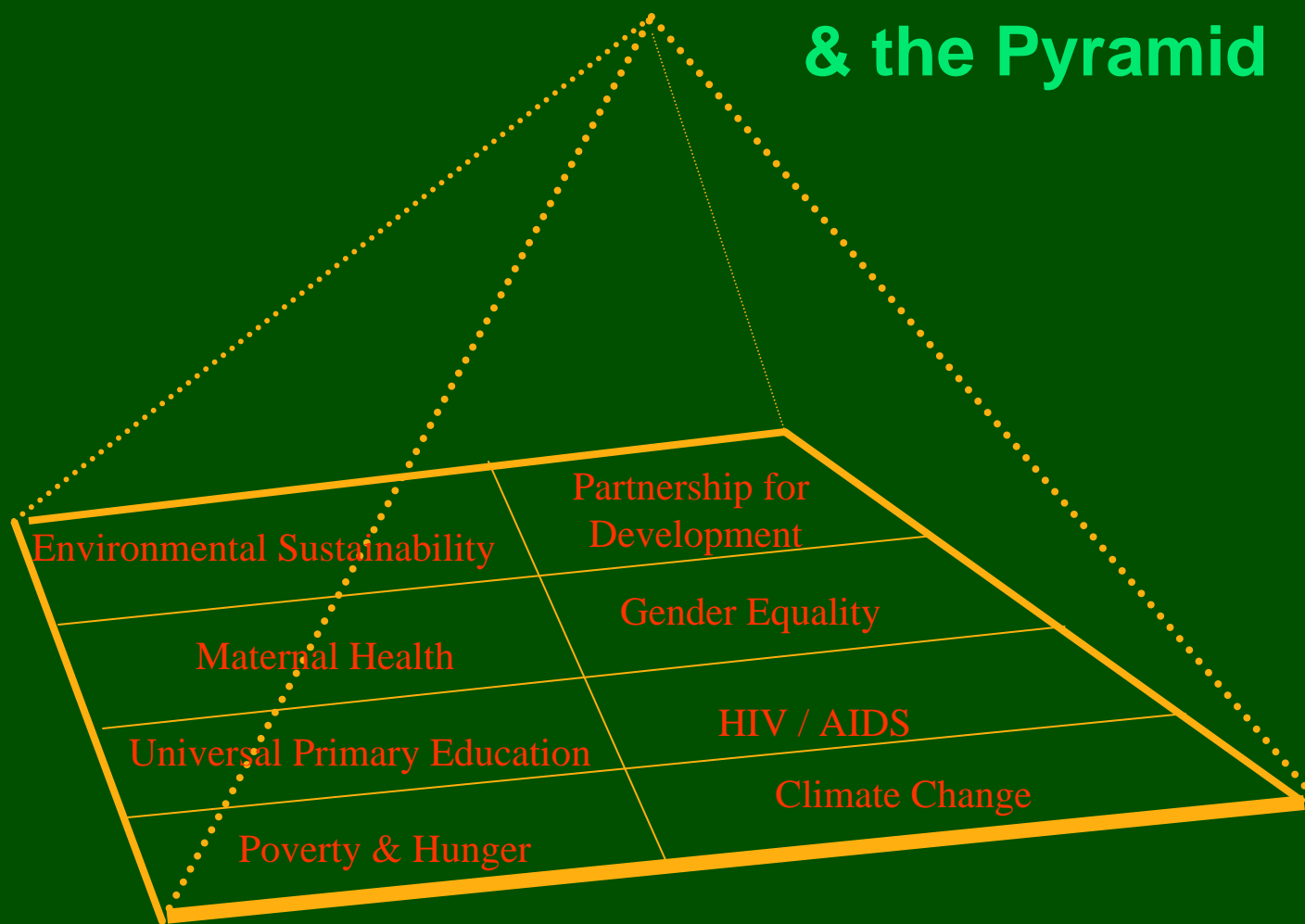


**Private Sector has
to play its' role**

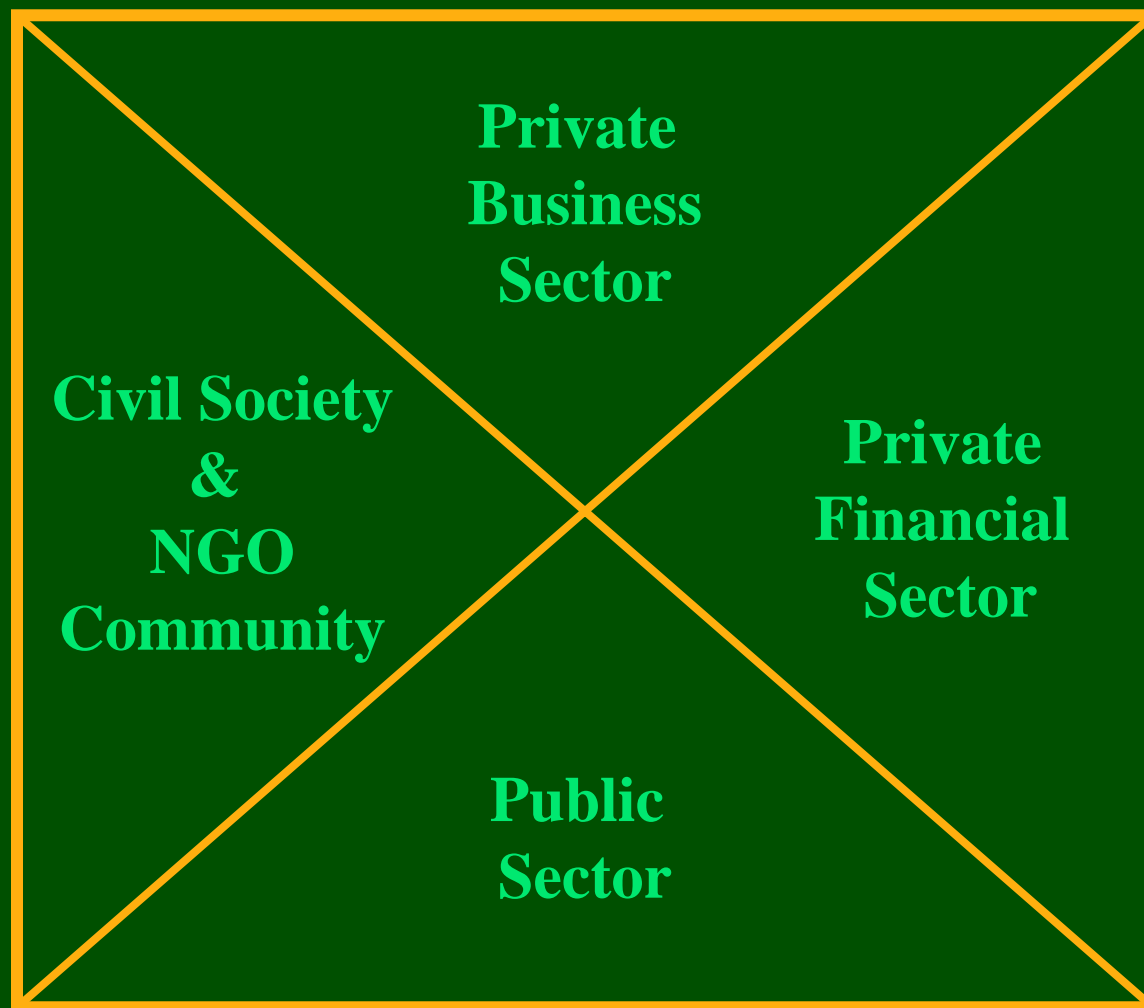
Agreed Aid Target: 0.7% of GDP
Actual Aid OECD Countries: 0.25% of GDP (2003)

III. Key Challenges

UN Millennium Issues & the Pyramid



III. Key Challenges



View on
Top of the
Pyramid



**Co-operation
&
strategic alliances
among
4 sectors
are
crucial for
Achievement
UN MDGs !!**

III. Key Challenges

- **Strategic Co-operation of all 4 sectors**
- **Integrate MF in business of Commercial Banks**
 - From Development Lending to Development Guarantees
 - TA subsidies
- **Currency Devaluation risk**
- **Reduce operational costs**
- **MF Distribution network**
- **Capacity building**
 - IT
 - Governance
 - Risk management
- **Measuring Social Impact**
- **Aid Donor coordination**
- **Communicate about contribution to UN MDGs**



IV. Conclusions



Food for Thought

Contact Details

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Annex I. History of ABN AMRO

- ◆ On 29 March 1824, King Willem I issued a royal decree creating the **Nederlandsche Handel-Maatschappij (NHM)** with the aim of reviving trade between the Netherlands and the Dutch East Indies.
- ◆ In 1964, NHM merged with De Twentsche Bank to form **Algemene Bank Nederland (ABN)** while **Amsterdamsche Bank** and **Rotterdamsche Bank** joined to become **Amsterdam-Rotterdam (Amro) Bank**.
- ◆ In 1991, these two banks merged as **ABN AMRO**.



Annex I. History of ABN AMRO

ABN AMRO

Algemene Bank Nederland

1991

Amsterdam-Rotterdam Bank

De Twentsche Bank (1861)

1964

Amsterdamsche Bank (1871)

Nederlandsche Handel-
Maatschappij (1824)

1964

Rotterdamsche Bank (1863)

Annex I. History of ABN AMRO

Strong Balance Sheet *

	<u>EUR (bln)</u>
Total assets	608.6
Group capital	33.0
Risk weighted assets	231.4

Global Resources *

Employees worldwide	97,000
Branches and offices	3,000+
Countries/territories	60+

Solid Credit Rating

	<u>Long-Term</u>
Moody's	Aa3
Standard & Poor	AA-
Fitch IBCA	AA-

Well- Positioned Bank **

	<u>Ranking</u>
Total assets	
- Worldwide	18
- European	11

ABN AMRO Today:

- ◆ conducts banking, fund management & insurance.
- ◆ ranks 11th in Europe and 18th in the world based on total assets.
- ◆ has over 3,000 branches in more than 60 countries, a staff of about 97,000 FTEs and total assets of EUR 608.6 billion (as at 31 December 2004).
- ◆ is listed on the Euronext and the New York Stock Exchange.

* as at 31 December 2004

** The Banker, July 2004

Annex II. Organisation ABN AMRO & Core businesses

Managing Board

SBU Consumer & Commercial Clients

BU
Netherlands

BU
Brazil

BU North
America

BU New
Growth
Markets

Bouwfonds

SBU
Wholesale
Clients

BU
Private
Clients

BU
Asset
Management

BU Transaction Banking Group

BU Group Shared Services

Group Functions

Annex II. Organisation ABN AMRO & Core businesses

Consumer & Commercial Clients (C&CC)

- ◆ approximately 16 million clients
- ◆ provides financial services for individuals and small to medium-sized enterprises
- ◆ has leading positions in a number of countries around the world with a focus on three home markets: the Netherlands, US Midwest and Brazil
- ◆ successfully pursues growth options in selected countries

Annex II. Organisation ABN AMRO & Core businesses

Wholesale Clients (WCS)

- is one of the largest wholesale banking businesses in Europe
- focuses on corporate, institutional and public sector clients. Combining sector expertise with in-depth product knowledge to provide clients with integrated corporate and investment banking services
- has local presence and global expertise: extensive network in about 50 countries helps clients both in their local markets and in cross-border wholesale banking

Annex II. Organisation ABN AMRO & Core businesses

Private Clients

- ◆ PC serves high net worth individuals and is among the world's top 10 private banks. Major franchises are located in the Netherlands, France, Switzerland and Germany.

Asset Management

- ◆ AM provides mutual funds and handles investment mandates. These are distributed through financial intermediaries and offered to institutional clients directly. AM is a major global asset manager with local presence in over 30 countries.

Annex III. ABN AMRO Definition of Sustainable Development

“Sustainable Development for ABN AMRO means to live our Values and Business Principles to meet the needs of the organisation and our stakeholders today, while protecting, sustaining and enhancing human, natural and financial capital needed in the Future.”

SD Definition linked to:

- Triple P concept (People, Planet & Profit)**
- ABN AMRO's Values & Business Principles**

Annex IV. ABN AMRO's Corporate Values & Business Principles

Values: Integrity, Teamwork, Respect, Professionalism

Business Principles:

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