

Brussels, 8th February 2010

State aid: Commission temporarily approves additional recapitalisation package in favour of ABN AMRO and Fortis Bank Nederland

The European Commission has temporarily approved under EU state aid rules a recapitalisation package of €6.9 billion in favour of ABN AMRO and Fortis Bank Nederland until 31/07/2010 as urgent rescue aid. The additional recapitalisation package is necessary to finance the separation of ABN Amro from its mother company and the integration costs resulting from the merger between FBN and ABN Amro. At the same time, the Commission extended the scope of its in-depth investigation, opened in April 2009 into an aid package related to the purchase of Fortis Bank Nederland by the Dutch state (see [IP/09/565](#)), to include these additional measures. This will allow the Commission to assess in detail the combined effect of all the support measures in favour of Fortis Bank Nederland and ABN Amro and give interested parties an opportunity to comment on the additional measures. The opening or extension of an in-depth investigation does not prejudice the outcome of the procedure.

Competition Commissioner Neelie Kroes said: "This recapitalisation package is a further step towards the restructuring of Fortis Bank Nederland and ABN Amro. I sincerely hope that ABN Amro and Fortis will rapidly finalise their integration plans and resume their role as lender to the real economy in The Netherlands. The Commission will in the meantime make sure that competition is preserved."

The purchase by the Dutch State of Fortis Bank Nederland (FBN) on 3 October 2008 in the context of the rescue of Fortis, gave the Dutch State also control over the Dutch assets of ABN Amro, which Fortis had acquired in 2007 (see [IP/07/1442](#)). However, these assets had not yet been separated from the rest of ABN Amro. The Commission has observed that the actual separation of the Dutch-owned ABN Amro's activities from their parent company took place during the weekend of 6-7 February 2010 and underlines that the current decision relates to the activities of the Dutch-owned ABN Amro (and to FBN).

The Dutch State recently announced a recapitalisation package of €6.89 billion aimed at financing (i) the separation costs of ABN and FBN, (ii) the costs of their integration and (iii) the settlement of certain obligations towards the other members of the ABN Amro buyers consortium. State support would be provided through a set of five measures including a guarantee on a €34.5 billion portfolio of Dutch mortgage loans, the subscription to a mandatory convertible security worth €3.1 million, the conversion into capital of Tier 2 loans granted to FBN, a cash payment of €740 million and the provision of a counter guarantee on a €950 million liability.

The Commission's preliminary assessment found that the measures seem necessary to allow the separation of the Dutch assets of ABN AMRO, which the Dutch State is obliged to carry out and to finance since it took the place of Fortis in the Consortium Shareholders Agreement signed between Fortis, Santander and RBS when deciding to acquire ABN Amro in 2007. Given their low level of capital post separation, FBN and ABN are unable to finance by their own means the merger, decided by Fortis in 2007 and confirmed by the Dutch State in November 2008 following its acquisition of the banks. The Commission therefore authorised these measures until 31/07/2010 as urgent rescue aid, to allow the implementation of the ABN Amro asset separation and of the subsequent merger with FBN.

However, the Commission needs to ensure that the aid is not used to distort competition and to weaken competitors by adopting an aggressive pricing or acquisition policy.

The non-confidential version of the decision will be made available under the case number C11/2009 in the [State Aid Register](#) on the [DG Competition](#) website once any confidentiality issues have been resolved. New publications of state aid decisions on the internet and in the Official Journal are listed in the [State Aid Weekly e-News](#).