

ABN in talks with RBS on buying back arms

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Published: February 1 2009 23:38 | Last updated: February 1 2009 23:38

ABN Amro, the nationalised Dutch bank, has held exploratory talks with [Royal Bank of Scotland](#) on buying back some of its former businesses as the Dutch government tries to recreate a viable third large Dutch bank.

Wouter Bos, Dutch finance minister, told the Financial Times that there had been contact between RBS and ABN. But he said the idea was not to seek to recreate ABN Amro as it was before RBS led a consortium of banks in 2007 that bought it and broke it up.

"We'll see if they ask a price for it, or if they just want to give it away," Mr Bos said. "[But] there should be no automatism, like 'that's the way it used to be, let's try to get it back as quickly as possible.'"

RBS, which is expected to report losses later this month of £28bn for 2008, is conducting a strategic review looking at all operations and what can be sold.

It is a breathtaking reversal of fortunes for the two banks. ABN Amro was taken into Dutch state ownership last October when Mr Bos decided to nationalise the Dutch assets of Fortis, the Belgian-Dutch financial group that had joined the RBS consortium to buy ABN alongside [Santander](#), the Spanish bank.

Mr Bos has appointed his predecessor, Gerrit Zalm, as chief executive of a new ABN Amro, which will also integrate the Dutch operations of Fortis.

However, he rejected any suggestion the government might be seeking to revive ABN Amro out of a sense of guilt that no effort was made to save the national champion at the time of the RBS-led takeover.

"It's going to be a new bank," he said. "In the Dutch market there is still room next to ING and Rabobank for another major player and I believe also in Europe there is still room for a Dutch bank that expands, that has a foreign network, that can serve Dutch clients, at least Europe-wide."

It is most likely that ABN Amro will seek to buy back international operations that it lacks in its current form, which is dominated by a domestic retail banking operation.

RBS also owns ABN's former corporate banking operations, which served large Dutch corporate clients and some small and medium businesses, but the business has already been integrated into RBS management and IT systems, making it less easy to separate.

Mr Bos's decision to nationalise parts of Fortis stirred controversy in Belgium. It came less than a week after an agreement with Belgium and Luxembourg to recapitalise the bank and forced the Belgian government instead to negotiate a sale to BNP Paribas.

The finance minister said he had acted because of the threat that there would have been a run on the bank and the need to bring ABN Amro into a "safe haven".

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