
Press Release

Copenhagen, Oslo, Stockholm, 9 June 2005

New ABN AMRO weather risk study compares vulnerability of industry in Western Europe, Scandinavia and North America for first time

Study shows industry in the Netherlands and Denmark most vulnerable to adverse weather

ABN AMRO today launched the first-ever study to quantify the extent to which adverse weather conditions affect industry production in Western Europe, Scandinavia and North America.

The study, produced in association with Reactions, the global insurance market magazine, will appear in the form of a weather map in the June edition of Euromoney magazine.

Using data from 1980-2003 collected from various government agencies, the study has identified those countries whose industries are most at risk from production loss as a result of adverse weather.

Sectors included in the study are agriculture; transport; construction; food and beverages; mining; wood products; textile products; petroleum and coal products; wholesale and retail trade; real estate; healthcare and social assistance; accommodation and food services; state and local government; electric energy; and gas.

"This study shows the vast amount of industry that is vulnerable to adverse weather conditions and the extent to which production can suffer. Industry needs to ensure profits are protected by hedging against weather risk," said Alex Schippers, Global Head of Weather and Insurance Derivatives at ABN AMRO.

In Europe, industry in the Netherlands and Denmark is at greatest risk, with more than 30% of all production susceptible to loss as a result of adverse weather. Other high-risk countries, where 25-30% of production remains vulnerable to adverse weather, include the UK, Spain, Italy, Sweden and Norway.

Windstorms and floods cost Western Europe and Scandinavia EUR2.8 billion from 1980 – 2003, with France being hit by EUR500 million in damages from windstorms alone.

In North America, industry in large sections of the United States retain the highest levels of exposure to adverse weather, with 25-30% of production in the central US, Southern States and the east coast as far north as Virginia, at risk.

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Natural hazards cost North America EUR5.9 billion from 1980 – 2003, with the South East region of the United States being affected most, with approximately EUR1.73 billion worth of damage caused by windstorms.

The weather derivatives market continues to grow and was worth USD4.57 billion at the close of 2004, according to a survey conducted by PriceWaterhouseCoopers for the Weather Risk Management Association.

ABN AMRO is a leading provider of weather risk management products and services, including over-the-counter weather derivatives, with operations in the UK, Europe and Asia.

ABN AMRO recently added to its Insurance and Weather Derivatives team by hiring Merijn Nederveen as Director from the bank's corporate finance business. Mr Nederveen will focus on structuring and sales of weather derivatives and related hedging strategies.

Copies of the weather map can also be ordered from the Reactions website at www.reactionsnet.com

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Notes to Editors:

ABN AMRO

Netherlands-based ABN AMRO is a leading international bank with total assets of EUR 742.9 bln (as at 31 March 2005). It has over 3,000 branches in more than 60 countries and territories, and has a staff of about 97,000 full-time equivalents worldwide. ABN AMRO is listed on the Euronext and New York stock exchanges.

ABN AMRO operates through three Strategic Business Units, each responsible for managing a distinct client segment. Wholesale Clients provides integrated corporate and investment banking services to corporate, institutional and public sector clients worldwide. Consumer & Commercial Clients focuses on retail and SME clients in three home markets – the Netherlands, the US Midwest and Brazil and in a number of selected growth markets. Private Clients & Asset Management provides private banking services to wealthy clients and investment products to financial intermediaries and institutional clients.

ABN AMRO's Wholesale Clients Strategic Business Unit provides integrated corporate and investment banking solutions to corporate, institutional and public sector clients in about 50 countries. WCS is structured in three Business Units (BUs) - Global Markets, Global Clients and WCS Services. Global Markets comprises of Fixed Income, Equities and Commercial Banking Services. Global Clients comprises advisory specialists serving Corporate clients and Financial Institutions and Public Sector (FIPS) clients, as well as the Corporate Finance business and Origination specialists from Fixed Income and Equity Capital Markets. WCS Services provides back office and support services in Legal and Compliance, Strategic Decision Support, Communication, Information Technology, Human Resources, Finance, Operations, and the Information Resources Centre.

Reactions

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