Q3 2016 results

investor presentation

Investor Relations
16 November 2016

Financial highlights

Q3 2016 vs. Q3 2015

- Net profit of EUR 607m (+19%), driven by higher income and lower impairments
- Expenses up due to a restructuring provision of EUR 144m

9M 2016 vs. 9M 2015

- Underlying net profit at EUR 1.7bn (+5%), reported net profit of EUR 1.5bn (-11%) includes a provision for SME derivatives
- NII proved resilient over nine quarters despite the low interest rate environment
- Financial targets: ROE 13.4%, C/I 61.8%, fully loaded CET1 16.6%

Extend horizon towards 2020

- Costs[1] to increase by EUR 0.9bn up to 2020:
  - Cost inflation & levies EUR 0.5bn
  - EUR 0.4bn investments in growth and digitalisation
- To compensate, targeted savings of EUR 0.9bn[1]:
  - Existing TOPS2020 and Retail digitalisation EUR 0.3bn
  - Savings of EUR 0.2bn in support and control activities (announced in Q2 2016)
  - Additional EUR 0.4bn savings through further digitalisation and process optimisation
- C/I target 56-60% in 2017 sharpened to 56-58% in 2020, other targets unchanged awaiting Basel IV

Note(s):
1. Compared to FY2015

Table of contents

at a glance

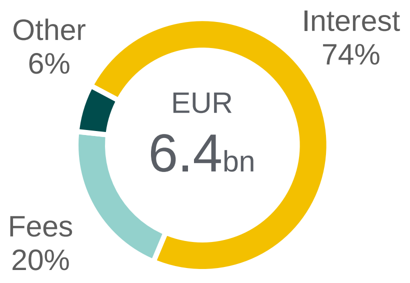
Strong and balanced financial profile with focus on growth and digitalisation

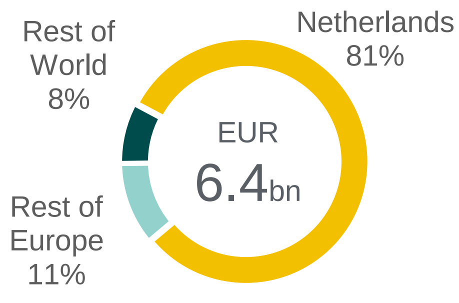
Key financials and metrics

	9M 2016	FY2015	FY2014
NIM (bps)[1]	151	146	153
Cost/Income (%)	61.8%	61.8%	60.2%
Cost of Risk (bps)[1]	4	19	45
Underlying Net Profit (EUR m)	1,743	1,924	1,551
Underlying earnings per share (EUR p/s)	1.82	2.03	1.65
ROE	13.4%	12.0%	10.9%
Dividend Pay-out Ratio (FY target)	45%	40%	35%
Total Assets (EUR bn)	425	406	413
CET1 (fully loaded)	16.6%	15.5%	14.1%
Tangible shareholder's equity per share	17.98	17.44	15.54
FTE (#)	21,809	22,048	22,215

Large share Dutch and recurring income

Split of operating income (9M 2016)





Strategic focus

- Further investments in selective (international) growth and digitalisation
- To compensate these as well as cost inflation and increasing levies, several cost savings initiatives in place towards 2020
- Strong CET1 ratio includes a buffer for Basel IV

Note(s):
1. Historical periods before 30 June 2016 have not been adjusted for the implemented offsetting policy on notional cash pool balances

Attractive combination of strong and complementary businesses

Retail Banking

±5m retail clients

±300k small enterprises

Low capital intensity

Funding gap

Prime bank for 21% of Dutch population

Top 3 player in new mortgage production and savings

Leading digital offering, 24/7 Advice and Service Centres and 226 branches

Private Banking

±100k clients

10 Present in countries

Low capital intensity

Funding surplus

Market leader in the Netherlands

3rd in Germany, 4th in France

Multi-channel client servicing NL and developing digitalisation in NW-Europe

Corporate Banking

±70k clients

15 Present in countries

Higher capital intensity

Funding gap

Leading player in the Netherlands with a sector-based offering

Capability-led international growth strategy for selected businesses and sectors in key financial and logistical hubs

Financial targets

Return on Equity

10–13% in the coming years

13.4% over 9M 2016

FY2014: 10.9%	FY2015: 12.0%	Q3 2016: 13.8%

Cost/Income Ratio

56–58% by 2020

61.8% over 9M 2016

FY2014: 60.2%	FY2015: 61.8%	Q3 2016: 61.8%

CET1 Ratio

11.5 – 13.5% fully loaded

16.6% at 30 Sep 2016

YE2014: 14.1%	YE2015: 15.5%

Dividend Pay-Out

50% as from and over 2017

45% over 2016[1]

FY2014: 35%	FY2015: 40%

Note(s):
1. Management discretion and subject to regulatory requirements. The envisaged dividend-pay-out ratio is based on the annual reported net profit after deduction of coupon payments on capital instruments that are treated as equity instruments for accounting purposes

Dutch economic indicators

Strong fundamentals

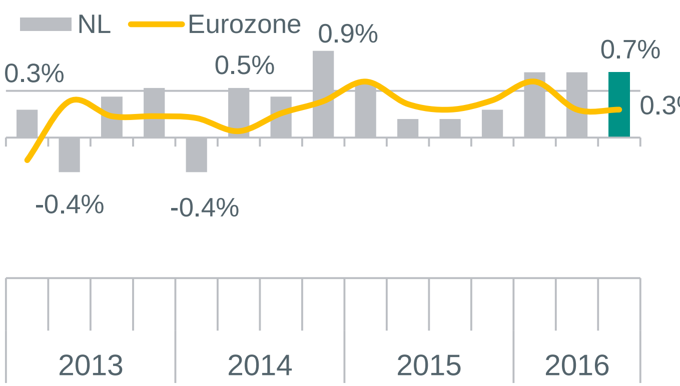
Numbers as % GDP (2016E)

- ✓ International orientation, highly competitive: global rank no. 4 by the World Economic Forum
- ✓ Sound financials: gov. debt 63%, budget deficit -1%
- ✓ Large, persistent external surplus: current account +7%
- ✓ Major recent reforms (pensions, labour market, housing market): pension fund assets ~200% of GDP

Economic metrics	2014	2015	2016e	2017e
Netherlands				
GDP (% yoy)	1.0%	2.0%	2.0%	1.5%
Inflation (indexed % yoy)	0.3%	0.2%	0.1%	1.5%
Unemployment rate (%)	7.4%	6.9%	6.0%	5.5%
Government debt (% GDP)	68%	65%	63%	62%
Eurozone				
GDP (% yoy)	1.1%	1.9%	1.5%	1.3%
Inflation (indexed % yoy)	0.5%	0.0%	0.3%	1.5%
Unemployment rate (%)	11.6%	10.9%	10.2%	10.0%
Government debt (% GDP)	92%	91%	90%	89%

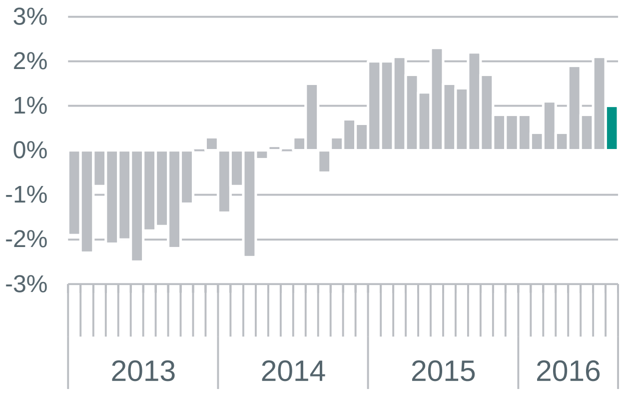
GDP

Q-o-Q, source Thomson Reuters Datastream, CBS (Statistics Netherlands)



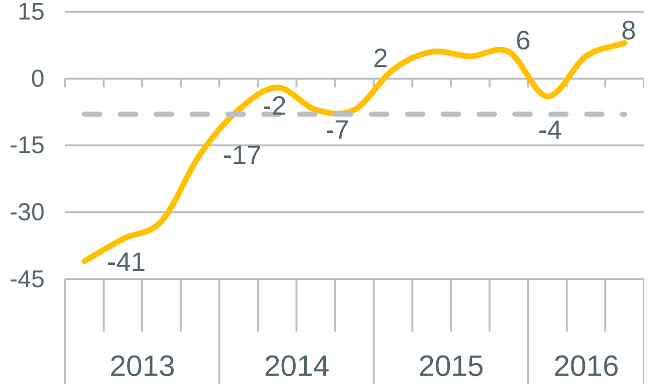
Dutch consumer spending

% change compared with same month year ago, CBS



Dutch consumer confidence

The Netherlands, seasonally adjusted confidence (end of period; long term average is approx. -8), source CBS



ABN·AMRO

We aim to be positively recognised on sustainability and transparency

- Dow Jones Sustainability Index (DJSI) score of 87 and a ranking in the FTSE4Good Index (top 15% of banks worldwide)
- Sustainable initiatives include
  - Green bond issuer in 2015 & 2016; first green Bond debt advisory
  - Global Sustainability Risk indicator tool implemented
  - Three new Social Impact Bond: financing of social projects

Achievements

Clients

Trust Monitor score

3.1 (2016)	3.1 (2015)

Change in Net Promoter Score

Retail	Private	Corporate
+1 (2015)	**+2** (2015)	**-2** (2015)

Employees

Employee engagement

77% (2016)	76% (2015)

Gender diversity sr. management

23% (2015)	20% (2014)

Society at large

Dow Jones Sustainability Index

87 (2016)	78 (2015)

Sustainable clients assets (EUR bn)

6.4 (2015)	5.4 (2014)

Strategic pillars and metrics for 2017

Overall	Top 15% DJSI
Business operations	Own carbon emission **30%** lower (vs. 2013) Gender diversity: women **30%** of upper middle management and **25%** of senior management Transparency Benchmark score **>180 points**
Client centricity & relationships	NPS +**10%** (vs. 2015) Trust Monitor score +**15%** (vs. 2015)
Financial expertise for the benefit of society	**40%** of employees volunteer through ABN AMRO Foundation or other social projects Increase social impact on key themes
Finance & investment services	ESG/ESE criteria to be integrated into investment advice and lending Recognised as a sustainable bank by clients

financials

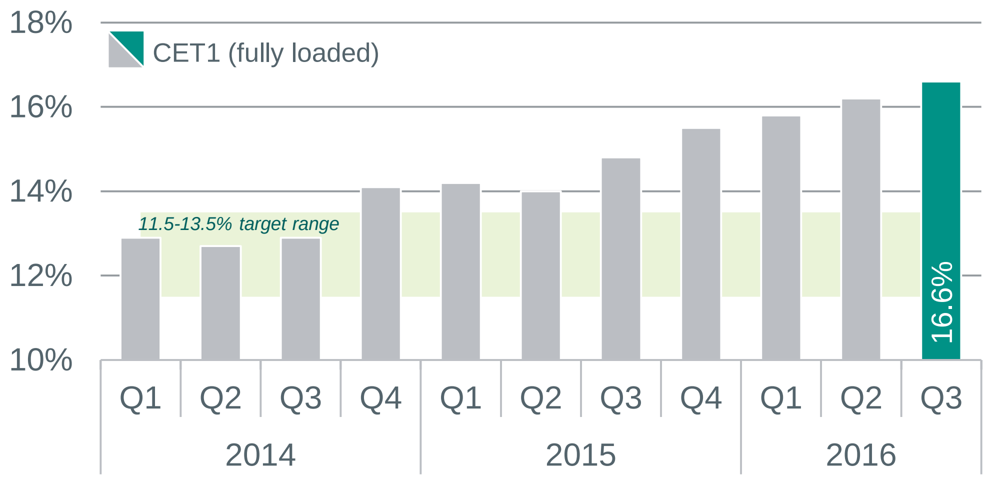
Result in Q3: good interest result, low impairments and a restructuring provision

EUR m	Q3 2016	Q3 2015	Delta	9M 2016	9M 2015	Delta
Net interest income	1,575	1,524	3%	4,703	4,580	3%
Net fee and commission income	437	449	-3%	1,303	1,375	-5%
Other operating income	210	136	54%	388	449	-13%
Operating income	**2,222**	**2,109**	5%	**6,393**	**6,403**	0%
Operating expenses	**1,372**	**1,234**	11%	**3,951**	**3,700**	7%
Operating result	**849**	**875**	-3%	**2,442**	**2,703**	-10%
Impairment charges	23	94	-75%	79	381	-79%
Income tax expenses	220	272	-19%	620	670	-7%
Underlying profit	**607**	**509**	19%	**1,743**	**1,652**	5%
Special items and divestments				-271		
Reported profit	**607**	**509**	19%	**1,472**	**1,652**	-11%
Underlying profit						
- Retail Banking	328	319	3%	1,002	999	0%
- Private Banking	54	28	92%	150	188	-20%
- Corporate Banking	290	218	33%	726	572	27%
- Group Functions	-66	-56	-16%	-136	-106	-28%
Net interest margin (bps)	150	149		151	146	
Underlying cost of risk (bps)	3	14		4	19	
Underlying earnings per share[1] (EUR)	0.63	0.54		1.82	1.76	
Reported earnings per share[1] (EUR)	0.63	0.54		1.55	1.76	

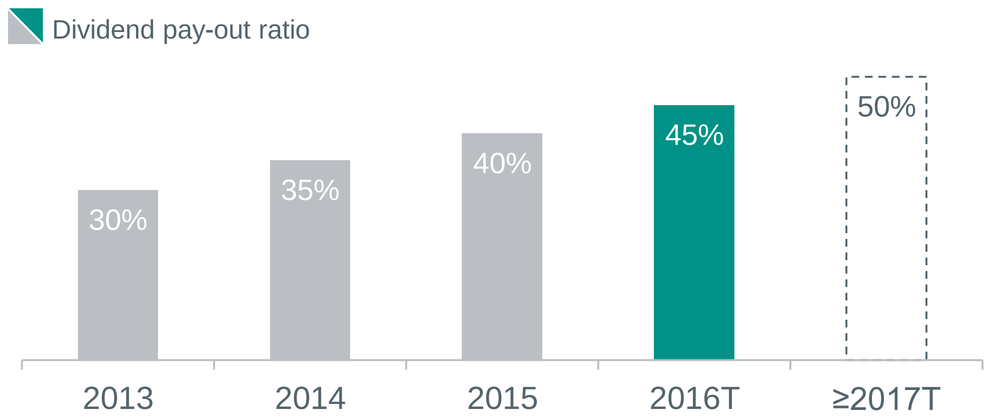
Note(s):
1. Earnings consist of underlying/reported net profit excluding reserved payments for AT 1 Capital securities and results attributable to non-controlling interests

CET1 fully loaded capital and dividend pay-out

Further growth in CET1

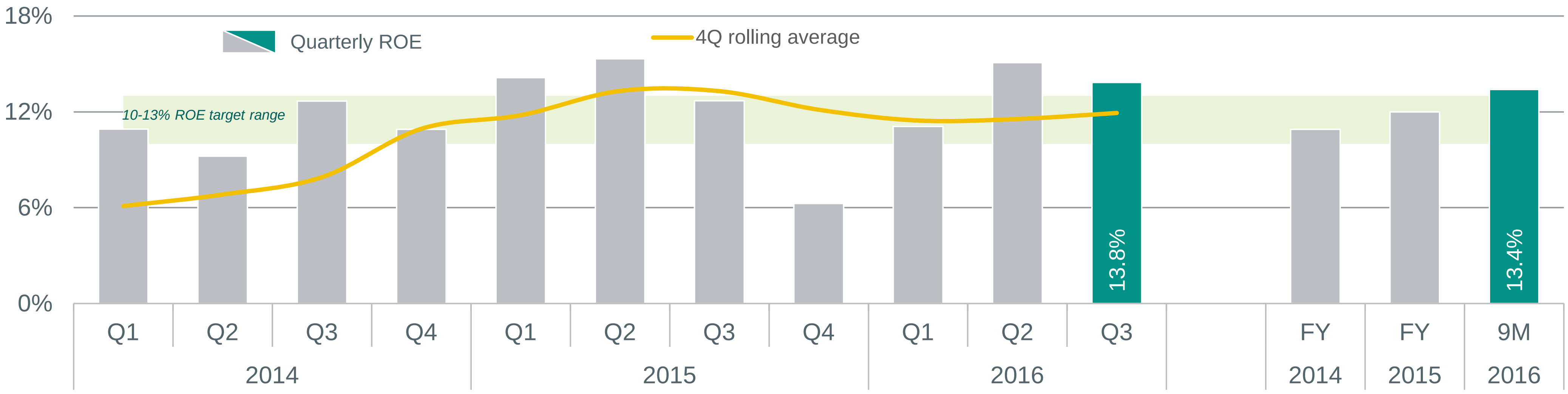


Steadily increasing dividend



- High dividend payment capacity underpinned by strong ROE track record and moderate balance sheet growth
- Capital position is strong and to be re-assessed once there is more clarity on Basel IV
- Fully-loaded Leverage Ratio at 3.7% (vs. ≥4% ambition by 2018)

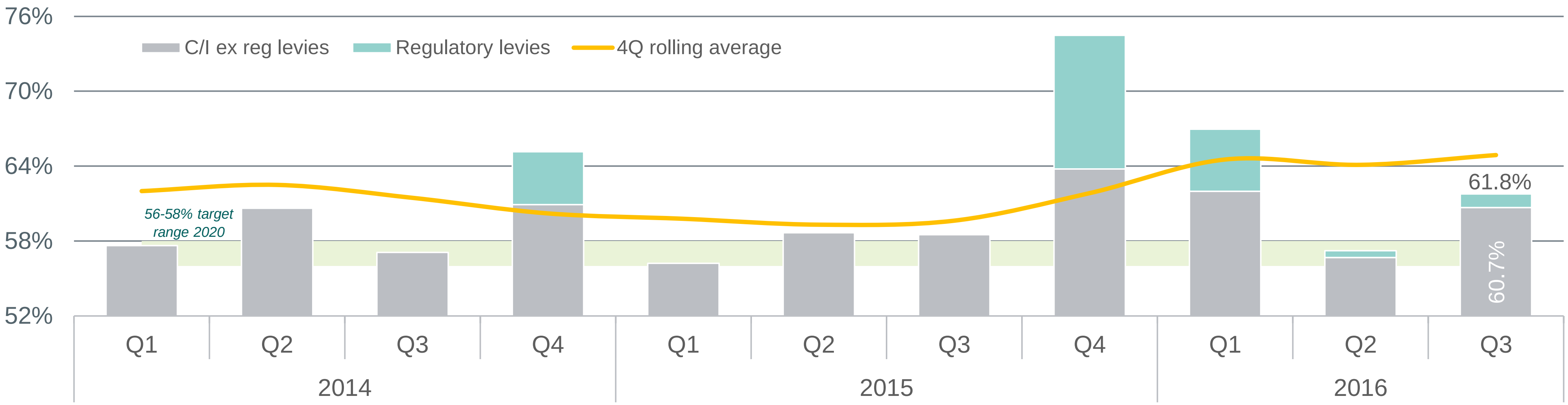
ROE at upper end of target range



- Attractive and increasing ROE
- Q3 2016 ROE increased to 13.8%, despite an increase in Equity and a restructuring charge
- ROE increased to 13.4% in 9M 2016

Cost/income target range sharpened to 56-58% by 2020

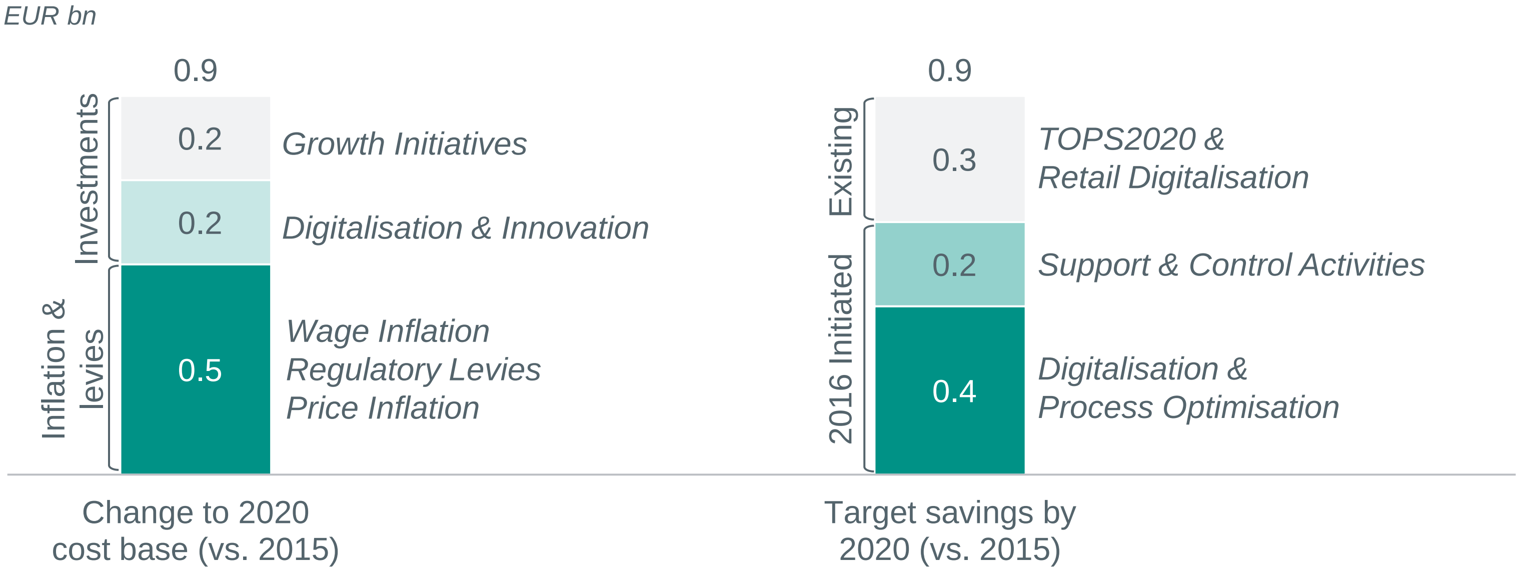
Cost/income ratio above target range



- Q3 2016 C/I ratio was 61.8%, including 1.1 percentage points in regulatory levies
- C/I target range sharpened from 56-60% by 2017 to 56-58% by 2020

Cost expectations, additional investments and savings initiatives 2015-2020

Increase in costs compensated by additional investments and savings



Upward cost pressure expected to be EUR 0.9bn in 2020 vs. 2015 cost base

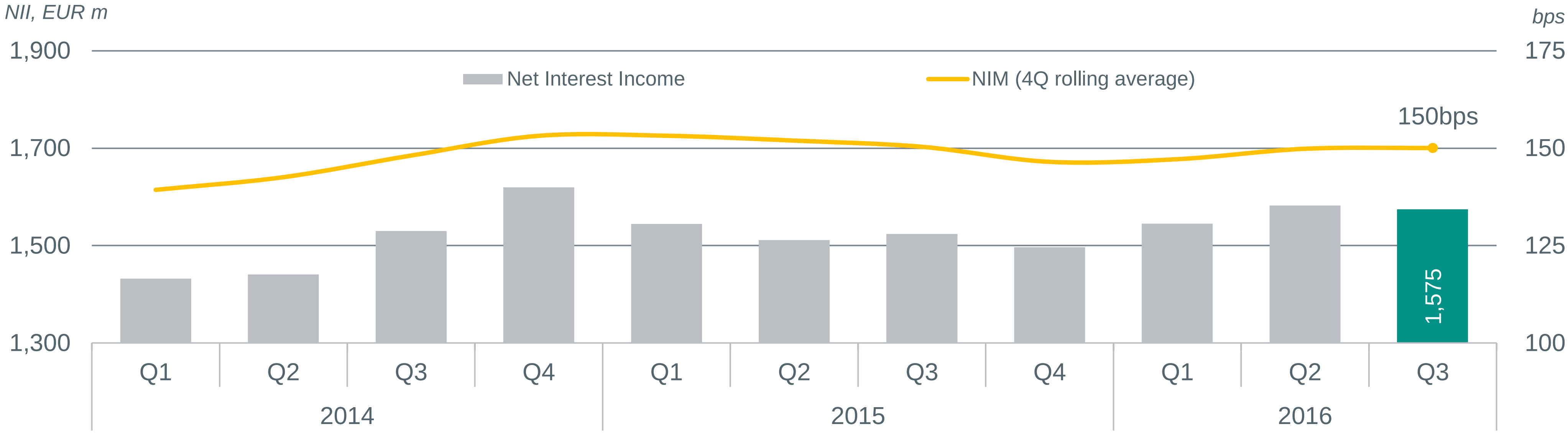
- inflation of current cost base and regulatory levies
- additional cost for digitalisation of processes
- additional costs for growth initiatives

EUR 0.9bn savings targeted by 2020 vs. 2015 cost base

- EUR 0.4bn from digitalisation and process optimisation (new)
- EUR 0.2bn from support & control activities (Q2 2016)
- EUR 0.3bn from TOPS2020 & Retail Digitalisation (already in execution)

Interest income continued to remain robust (1/3)

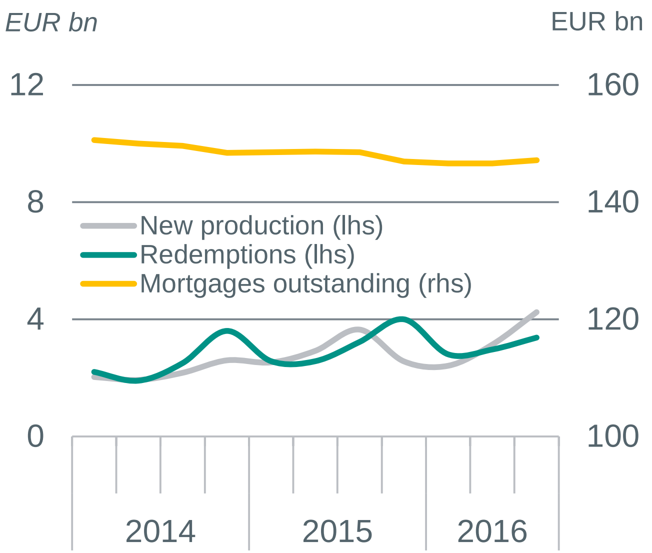
Interest income development



- NII was up 3% vs. Q3 2015
- NII proves robust at or above EUR 1.5bn over the past nine quarters
- Mortgage and corporate loan margins improved, whereas average volumes increased for corporate loans (primarily in International Clients) while it decreased for other loan types (all vs. Q3 2015)
- The deposit rate paid on savings accounts decreased while volumes increased

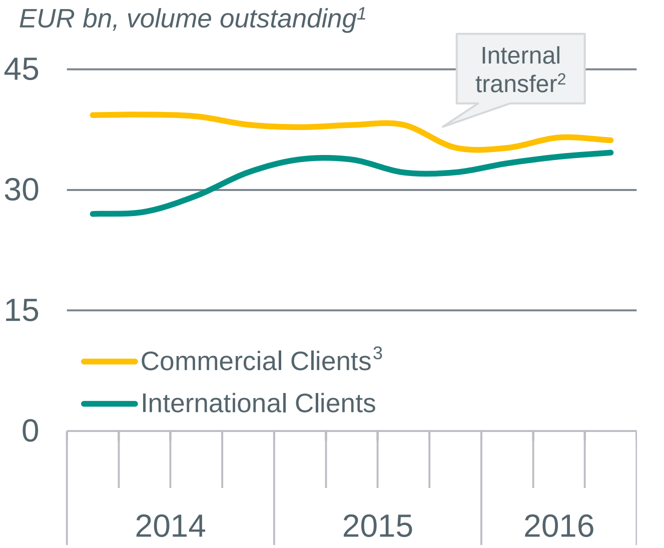
Interest income continued to remain robust (2/3)

Mortgages



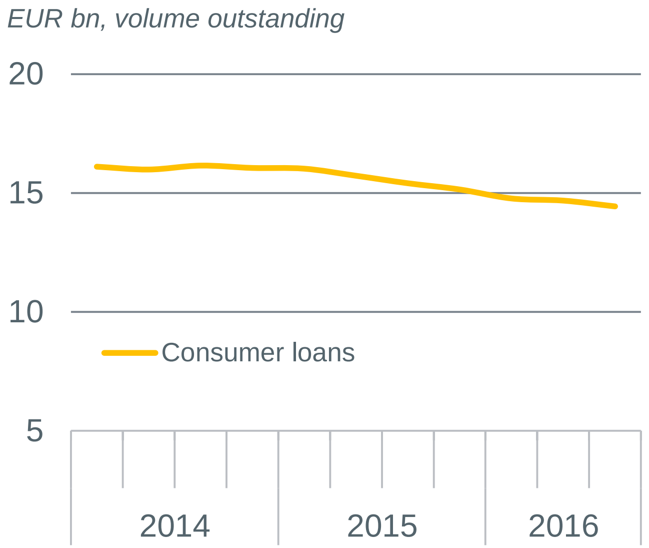
- NII increased driven by increase in margins due to refinancing of low margin old mortgages (until YE2016) offset by lower volume

Corporate loans



- Dutch economic improvement has not yet translated into higher demand for loans in the Netherlands; ECT has shown growth
- Announced initiatives should help loan growth in time

Consumer loans

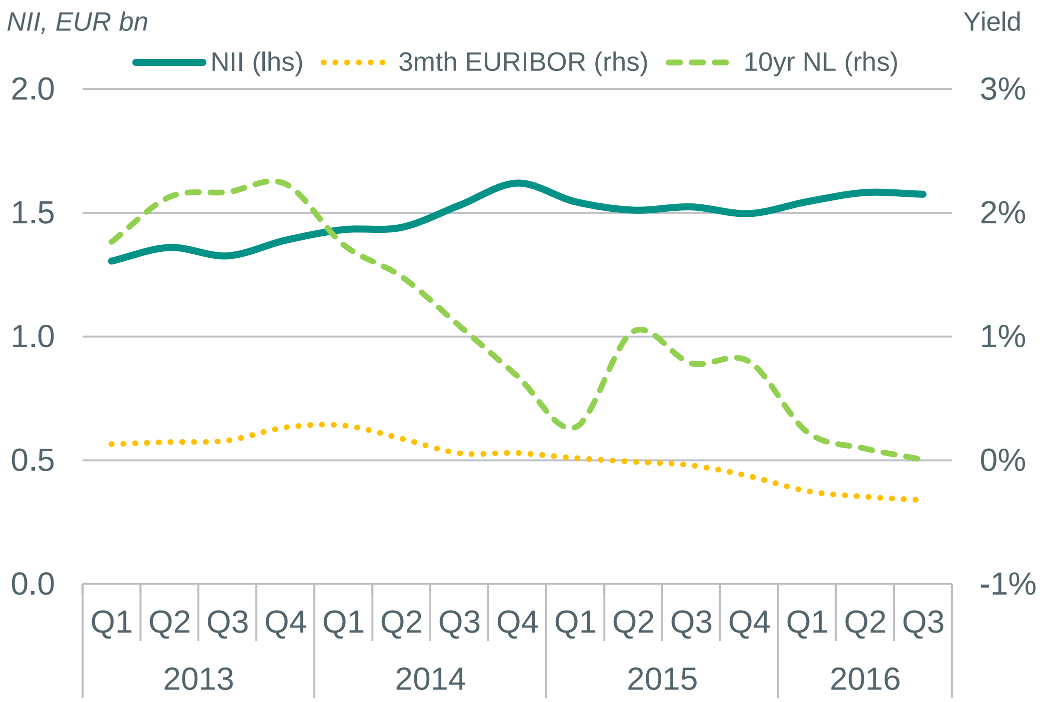


- Gradual decline in volume primarily due to higher redemptions
- Consumer lending pricing came down in the market

Note(s):
1. Excluding the impact of notional cash pooling
2. L&R customers impacted by EUR 2.3bn transfer of Public Sector Loans to Group Functions in Q4 2015
3. Clients with revenues between EUR 1-250m

Hedging the balance sheet against interest rate movements helps stabilise NII

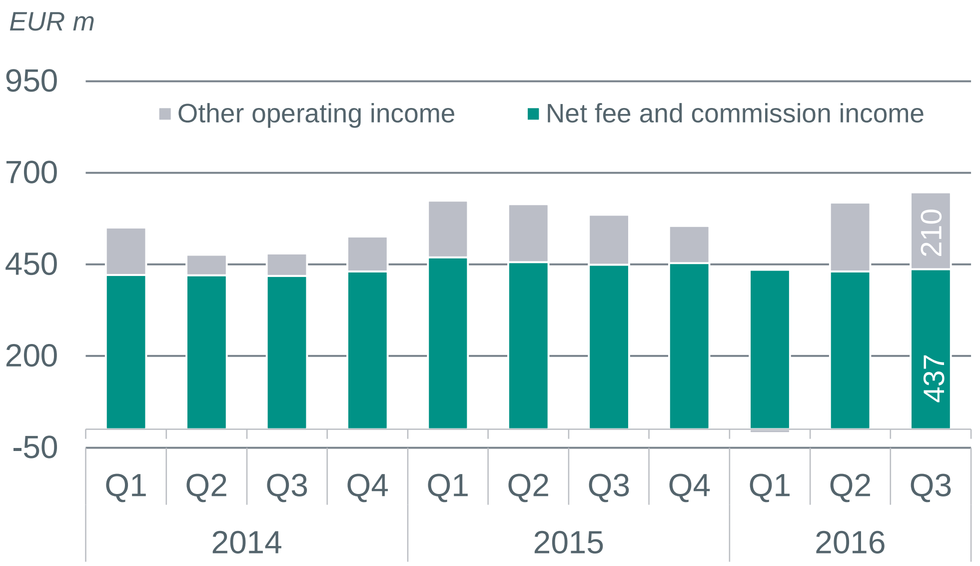
- Conceptually, interest rate risk is managed by swapping both assets and liabilities to floating
- In practice what we do is:
  - Wholesale funding and the liquidity buffer are swapped individually to a floating rate
  - Loans and deposits are managed on a portfolio basis, where only the net interest exposure is hedged with swap contracts
- As a result, interest income is predominantly driven by the commercial margin and volume developments
- Outcome of a recently refined[1] NII-at-Risk methodology: a 200bps gradual decline/rise in interest rates during next 12 months estimated to lead to a 0.4% decrease / 1.6% increase of NII



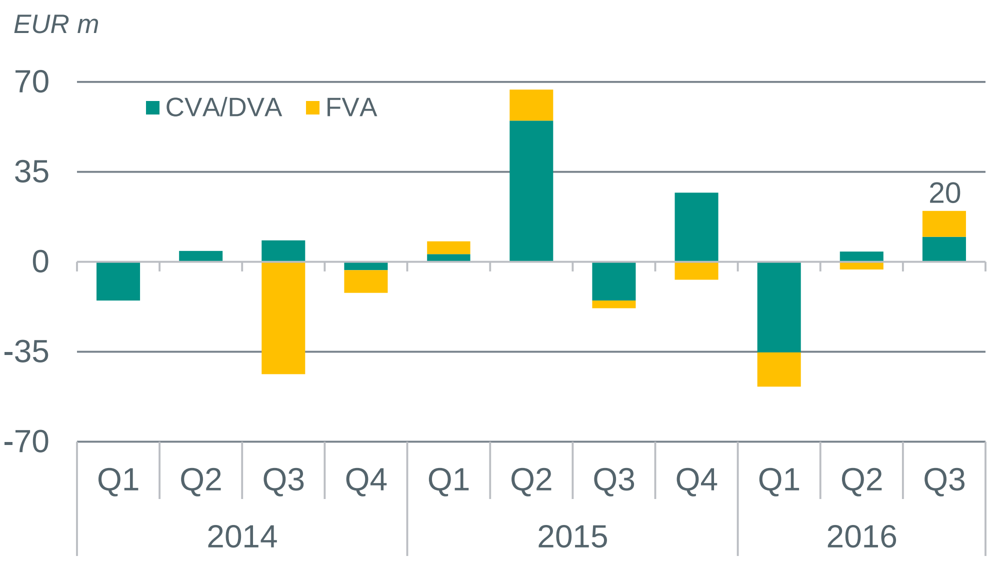
Source: SNL, 3m EURIBOR and 10yr NL Benchmark yields based on end of period

Note(s):
1. In the NII-at-risk calculation some floors are applied in the falling interest rate scenario. During Q3 ABN AMRO implemented a number of refinements to the NII-at-Risk methodology. As part of these refinements we also lowered the floor applied to market rates from -60bps to -100bps in order to present a more prudent outcome in the falling rates scenario.

Fee & other income slightly up



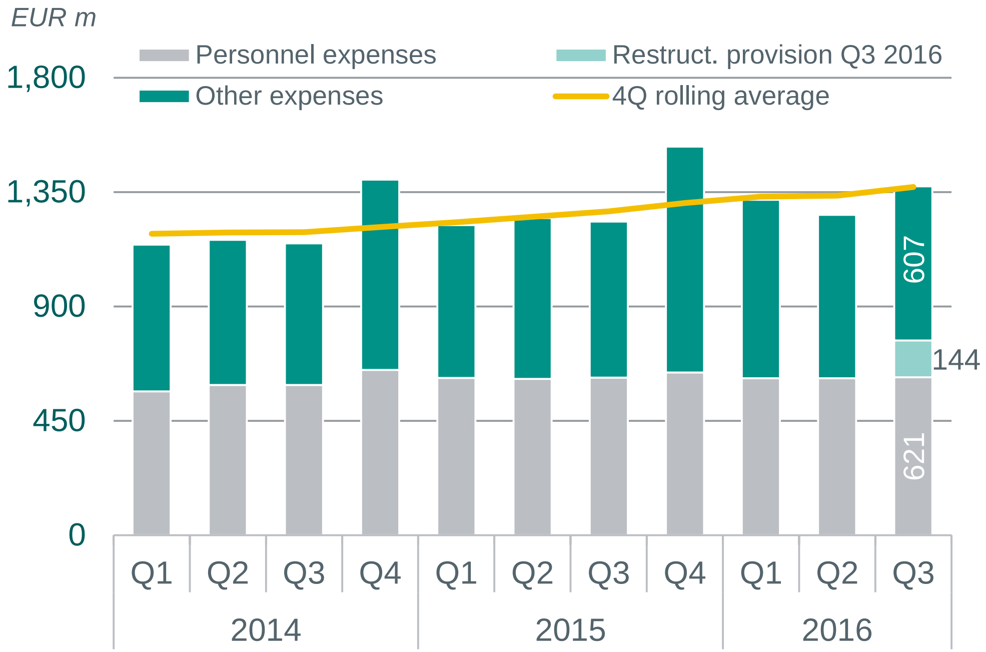
Volatile CVA, DVA and FVA effects



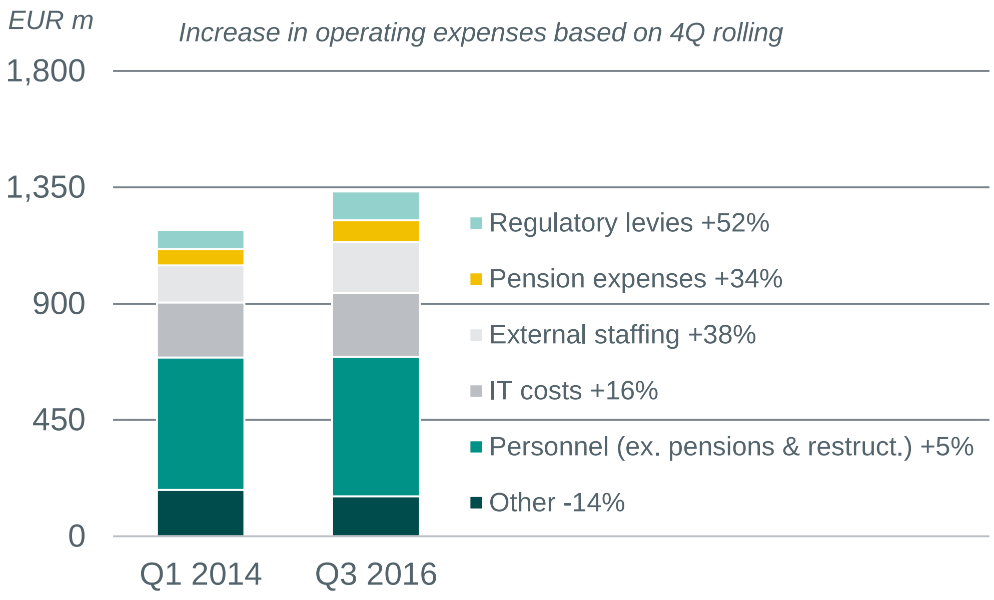
- Fee income down vs. Q3 2015, but increased slightly compared with Q2 2016
- Other operating income benefited from a positive revaluation on our stake in Equens and higher CVA/DVA/FVA results

Cost increase driven by regulatory demands and pensions

Development operating expense



Drivers operating expense[1]

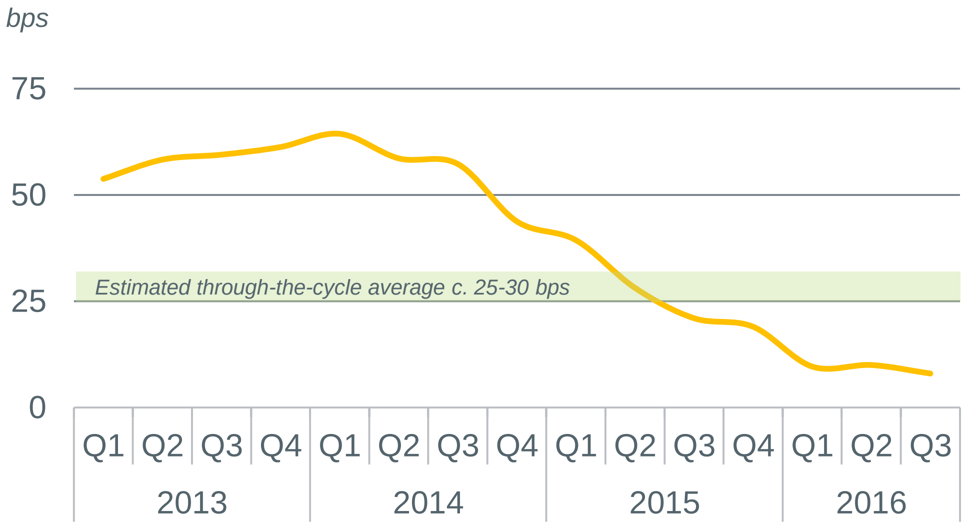


- Main drivers of increased costs are regulatory levies, costs related to external staff and pension costs
- External staff costs up due to regulatory demands, TOPS2020, and more flexible labour pool within Retail
- Pension costs increased in recent years due to low interest rates
- Several cost savings initiatives announced
- Q3 2016 includes a restructuring provision of EUR 144m; an additional EUR 150-175m is expected in Q4

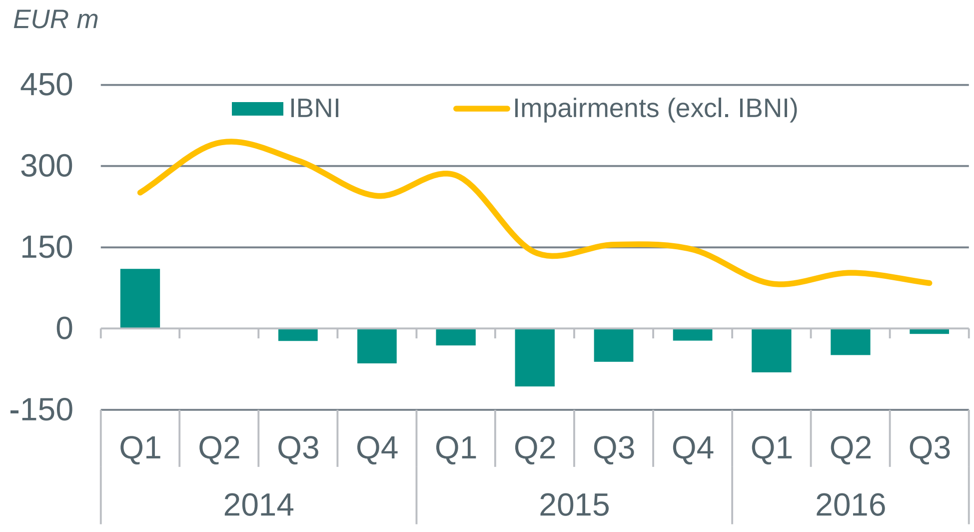
Note(s):
1. Excluding the EUR 144m restructuring provision taken in Q3 2016 and based on 4Q rolling average

Continued low loan impairments

4Q rolling cost of risk



Impairments



- Cost of risk declined since the start of 2014
- Impairments decreased by 75% vs. Q3 2015, driven by all segments including ECT Clients
- ECT Clients impairments were EUR 33m in Q3 2016 (vs. EUR 62m in Q3 2015) and EUR 175m in 9M 2016 (vs. EUR 97m in 9M 2015)
- Cost of risk of 3bps in Q3 2016 (14bps in Q3 2015)

ABN·AMRO

profile

Key strengths

- A leading Retail Bank in the Netherlands with stable and recognised market positions and a loyal client base
- Demonstrated client-centric approach and effective multi-label strategy leading to a clear earnings model
- Seamless omni-channel distribution, with best in class digital offering and at the forefront of innovation to swiftly address shifts in client behaviour
- Low-risk business model, resilient and strong financial performance and consistent contributor to the Group
- Strong client feeder for Private Banking (threshold recently lowered to EUR 500k investable assets)

Financials and key indicators

EUR m	**9M 2016**	**9M 2015**
Net interest income	2,535	2,497
Net fee and commission income	346	395
Other operating income	125	20
Operating income	**3,006**	**2,912**
Operating expenses	**1,611**	**1,490**
Operating result	**1,394**	**1,422**
Loan impairments	64	90
Operating profit before taxes	**1,330**	**1,333**
Income tax expenses	328	334
Underlying profit for the period	**1,002**	**999**
Special items & divestments		
Reported profit for the period	**1,002**	**999**
Contribution to group oper. income	47%	45%
Underlying cost/income ratio	53.6%	51.2%
Cost of risk (in bps)	6	7

EUR bn	**Sep 2016**	**Dec 2015**
Loans & receivables customers	154.3	154.2
Due to customers	101.9	98.7
Client assets	117.0	114.3
Loan to deposit ratio	148%	152%
RWA	32.7	34.8
FTEs (#)	5,291	5,844

Seamless omni-channel distribution, with best in class digital offering

- Nationwide network of **226 branches** (down vs. ~650 start 2010)
- **24/7 Advice & Service Centre**
- Embedded **remote advice** services

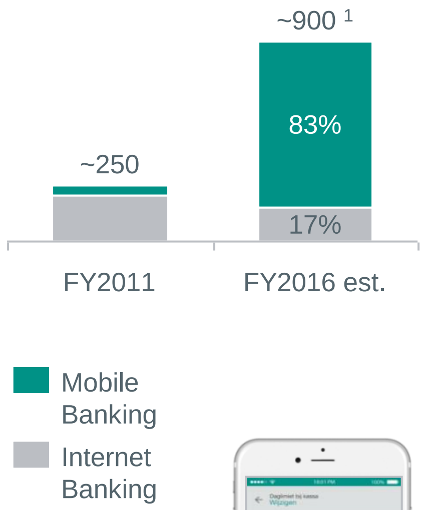
- Best in class **digital offering**
- **#1** domestic banking app, **#6** worldwide
- **Innovative apps**

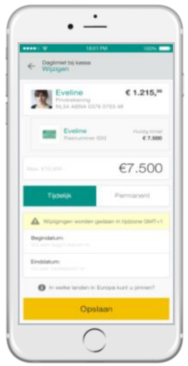
- Nonstop looking at **new customer services**
- Clients follow us, we **follow our clients**
- **Getting in touch**, quick and straightforward

- Complementary **intermediary channels**
- Subsidiaries to target **specific niches**
- MoneYou as **growth innovator in NW-Europe**

Strong online growth

 # online banking contacts (logins in millions per year)





Note(s):
1. based on full year estimation (extrapolation 9M 2016)

Private Banking at a glance

Key strengths

- Ranked no. 3 across the Eurozone:
  - Largest private bank in the Netherlands
  - Particular strength in Germany (no. 3) and France (no. 4)
- Client assets EUR 199bn at 30 Sep 2016
- Focus on onshore private banking
- Strong financial performance and contribution to funding of Group balance sheet with a loan to deposit ratio of 24%
- Client centric approach with scale allowing for granular client segmentation − dedicated offerings per segment
- Recently threshold in the Netherlands was lowered to EUR 500k in investable assets to leverage on the premium brand, open up services to a broader client group and gain further market share

Financials and key indicators

EUR m	9M 2016	9M 2015
Net interest income	476	440
Net fee and commission income	429	470
Other operating income	72	81
Operating income	**977**	**992**
Personnel expenses	374	382
Other expenses	394	389
Operating expenses	**768**	**771**
Operating result	**209**	**221**
Loan impairments	13	-10
Operating profit before taxes	**195**	**231**
Income tax expenses	45	43
Underlying profit for the period	**150**	**188**
Contribution to group oper. income	15%	15%
Underlying cost/income ratio	78.6%	77.7%
Cost of risk (in bps)	11	-7
Gross margin on clients assets (in bps)	67	65

EUR bn	Sep 2016	Dec 2015
Loans & receivables cust.	15.9	16.6
Due to customers	67.6	66.5
Client assets	198.9	199.2
Loan-to-deposit ratio	24%	25%
RWA	7.9	8.2
FTEs (#)	3,870	3,722

Broad onshore offering across segments

Client wealth bands

- High net worth: client assets EUR >500k
- Ultra high net worth: client assets EUR >25m

Clear client segmentation

Private wealth management

Institutions & charities

&

Entrepreneurs

Family money

- Upstreaming, cross-business and cross-country client feeder model
- Strong distribution channels and local brand names

ABN·AMRO MeesPierson

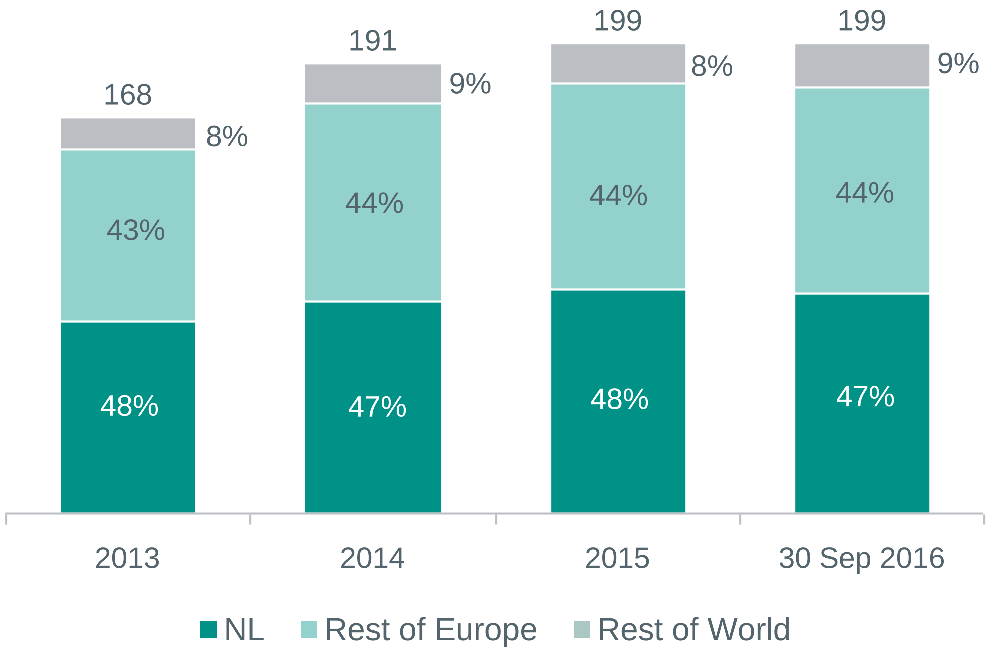
Neuflize OBC ABN AMRO

Bethmann Bank ABN AMRO

ABN·AMRO Private Banking

Client assets by geography

EUR bn



Key strengths

- Leading market positions and strong brand name
- Relationship-driven business model
- Product expertise and capabilities
- Sector oriented client portfolio and dedicated sector approach
- Stringent risk reward steering and hurdle discipline
- Strict credit risk management and monitoring

Financials and key indicators

EUR m	9M 2016	9M 2015
Net interest income	1,689	1,597
Net fee and commission income	566	565
Other operating income	142	224
Operating income	**2,396**	**2,385**
Personnel expenses	501	510
Other expenses	909	846
Operating expenses	**1,411**	**1,356**
Operating result	**986**	**1,029**
Loan impairments	8	309
Operating profit before taxes	**977**	**720**
Income tax expenses	251	148
Underlying profit for the period	**726**	**572**
Contribution to group oper. income	37.5%	37.3%
Underlying cost/income ratio	58.9%	56.8%
Cost of risk (in bps)	0	46
EUR bn	**Sep 2016**	**Dec 2015**
Client loans (excl. notional cash pooling)	71.5	68.3
Due to customers (excl. notional cash pooling)	65.0	62.9
Loan-to-deposit ratio	125%	121%
RWA	54.8	55.1
FTEs (#)	5,113	4,959

Corporate Banking sub-segment results

Commercial Clients

EUR m	9M 2016	9M 2015	%
Net interest income	1,014	965	5%
Net fee and commission income	151	155	-3%
Other operating income	42	23	86%
Operating income	**1,208**	**1,144**	6%
Operating expenses	**630**	**614**	3%
Operating result	**578**	**530**	9%
Loan impairments	-151	210	
Operating profit before taxes	**729**	**319**	128%
Income tax expenses	182	79	130%
Underlying profit for the period	**547**	**240**	128%
Special items & divestments	-8		
Reported profit for the period	**540**	**240**	125%
Contribution to group oper. income	18.9%	17.9%	
Underlying cost/income ratio	52.2%	53.7%	
Cost of risk (in bps)	-52	69	

EUR bn	30 Sep 2016	31 Dec 2015
Loans & receivables customers	37.9	38.9
Client loans excl. notional cash pooling	37.5	37.0
Due to cust. excl. national cash pooling	33.2	34.8
RWA	21.2	21.5

International Clients

EUR m	9M 2016	9M 2015	%
Net interest income	548	533	3%
Net fee and commission income	166	166	0%
Other operating income	29	73	-60%
Operating income	**742**	**772**	**-4%**
Operating expenses	374	365	2%
Operating result	**368**	**407**	**-10%**
Loan impairments	161	88	83%
Operating profit before taxes	**207**	**319**	**-35%**
Income tax expenses	47	44	5%
Underlying profit for the period	**160**	**275**	**-42%**
Special items & divestments			
Reported profit for the period	**160**	**275**	**-42%**
Contribution to group oper. income	11.6%	12.1%	
Underlying cost/income ratio	50.4%	47.3%	
Cost of risk (in bps)	60	35	

EUR bn	30 Sep 2016	31 Dec 2015
Loans & receivables customers	35.2	44.1
Client loans excl. notional cash pooling	34.0	31.3
Due to cust. excl. national cash pooling	15.8	19.0
RWA	22.8	22.6

Capital Markets Solutions

EUR m	9M 2016	9M 2015	%
Net interest income	126	99	28%
Net fee and commission income	249	243	3%
Other operating income	70	128	-45%
Operating income	**446**	**470**	**-5%**
Operating expenses	405	376	8%
Operating result	**41**	**94**	**-56%**
Loan impairments	-1	11	
Operating profit before taxes	**42**	**83**	**-49%**
Income tax expenses	24	26	-6%
Underlying profit for the period	**18**	**57**	**-68%**
Special items & divestments	-263		
Reported profit for the period	**-245**	**57**	
Contribution to group oper. income	7.0%	7.3%	
Underlying cost/income ratio	90.8%	80.0%	
Cost of risk (in bps)	-1	9	

EUR bn	30 Sep 2016	31 Dec 2015
Loans & receivables customers	17.2	13.1
Client loans excl. notional cash pooling	-	-
Due to cust. excl. national cash pooling	16.0	9.1
RWA	10.8	11.0

Profile summary Corporate Banking sub-segments

Commercial Clients:
- Dutch corporates with EUR 1–250m turnover
- Real Estate Clients & Public Sector Clients
- ABN AMRO Lease & ABN AMRO Commercial Finance

International Clients:
- Large corporates with > EUR 250m turnover
- Energy, Commodities & Transportation Clients
- Financial Institutions
- Diamond & Jewellery Clients

Capital Markets Solutions:
- Sales & Trading
- ABN AMRO Clearing Bank

ECT Clients operates in typically cyclical sectors

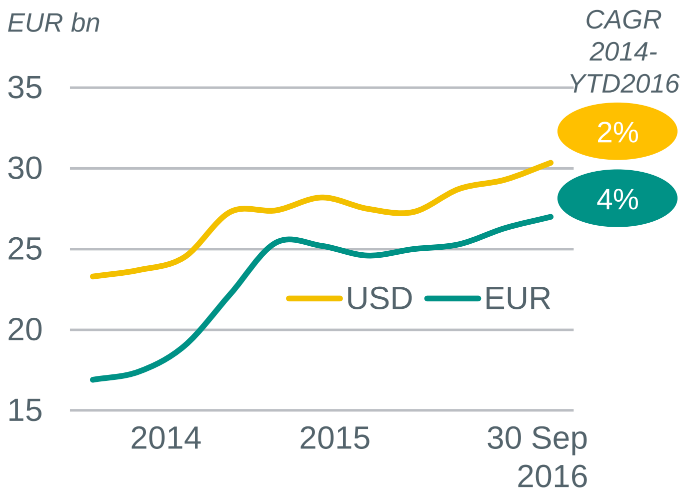
- Serves internationally active ECT Clients, requires deep sector knowledge of underlying markets
- Market cyclicality is carefully considered when financing ECT Clients. Risk management and risk monitoring is intensified, especially in current challenging circumstances for Oil & Gas and Shipping
- The through-the-cycle (TTC) cost of risk in ECT is expected to be below the 40-60bps in Corporate Banking. In challenging markets the cost of risk is above the TTC levels

Exposures across selected clients active in ECT sectors

30 Sep 2016, EUR bn	Energy Clients	Commodities Clients	Transportation Clients	**ECT Clients**
Clients Groups (#)	~120	~320	~190	~630
On balance exposure	**5.3**	**12.2**	**9.5**	**27.0**
% of Total L&R (of EUR 285bn)	2%	4%	3%	9%
Off B/S Issued LCs + Guarantees	0.8	5.8	0.2	6.8
Sub total	**6.1**	**18.1**	**9.7**	**33.8**
Off B/S Undrawn committed	2.1	2.5	0.9	5.5
Total	**8.2**	**20.6**	**10.5**	**39.3**

Risk data ECT Clients	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**9M 2016**
Impairment charges (EUR m)	0	5	43	41	54	128	175 [1]
Cost of risk (bps)[2]	1	5	31	29	29	56	95

On balance developments



Note(s):
1. EUR 175m in total of which in Q1 EUR 48m, Q2 EUR 93m and Q3 EUR 33m; EUR 175m in total of which in Energy EUR 102m, Commodities EUR 16m and Transportation EUR 57m
2. Based on impairments over quarter-end on-balance exposure averages

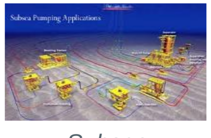
Latest oil & gas scenario confirms impairments to remain manageable

Scenario: lower for longer oil prices and subdued oil investments

- Latest scenario H2 2016 & FY2017 assumes a continuation of low investment levels by oil & gas industry based on a prolonged low oil price
- Impairment charges for the scenario are modelled to be EUR 125-200m (18 months: H2 2016 & FY2017)
- We consider these impairments to be manageable in view of the size of our portfolio
- 9M 2016 impairments on Energy Clients are EUR 102m

ECT Activity[1]	Description of Oil & Gas related exposures in ECT Energy & Transportation	Estimated size	Estimated Sensitivity
FPSO *Energy Clients*	Floating Production Storage & Offloading vessels are developed for oil and gas production of offshore fields. Financing structures rely on long term contracts with investment grade major oil companies	Roughly 3bn of exposure	*Not directly exposed to oil price risk*
Corporate Lending *Energy Clients*	Corporate Loans in oil & gas sector: predominantly loans to investment grade oil & gas companies		
Midstream *Energy Clients*	E.g. pipelines, tank farms, LNG terminals, etc. Typically generating revenues from medium to long-term tariff based contracts, not directly affected by oil price movements		
Offshore Drilling *Energy Clients*	Loans to finance drilling rigs. Generally backed by charter contracts and corporate guaranteed	Roughly 2.5bn of exposure	*Exposed to oil price risk*
Offshore Support Vessels *Transportation Clients*	Loans to finance offshore support vessels. Vessels could be operating in the spot market as well as under charter contracts		
Other Offshore *Energy Clients*	Diversified portfolio of companies active in pipe laying, heavy lifting, subsea infra, seismic, accommodation platforms, wind park installation, etc. Corporate guaranteed		
Upstream *Energy Clients*	Financing based on borrower's oil & gas assets. Loans typically secured by proven developed reserves of oil & gas. Includes smaller independent oil & gas producers. Majority of clients is active in both oil and gas sector and has loss absorbing capital structures in place (junior debt, second lien, equity)	Roughly 1.5bn of exposure	*Exposure to oil price risk*
Total	**Total Oil & Gas related ECT Clients exposures (on- and off-balance)**	**Roughly 7bn**	


Offshore Drilling


Subsea Infra


Offshore Support Vessel


Seismic


Oilfields & Equipment


Upstream (Reserve Base Lending)


Accommodation Platforms


Floating Platforms


Midstream


LNG, Downstream, Renewables

Note(s):
1. The allocation of clients into Energy Clients sub-segment has been based on management views for managerial purposes. Clients can have activities that could be mapped in other sectors

Latest Transportation Clients downturn scenario effects stay within risk limits

Quick scan with downturn assumptions

- Close risk monitoring is applied to specific shipping sectors in ECT Clients: e.g. dry bulk, containers and offshore support
- Downturn assumptions, without mitigating measures on full Transportation portfolio
- Outcomes considered manageable given
  - the size of our Transportation portfolio
  - past experience showing that risk measures and balanced file restructurings can significantly reduce the need for impairments
  - the portfolio remaining within its sector limits

Mild scenario

- Downturn period of 18 months, with oversupply not abating
- Up to a 3 notch downgrade on sub portfolios and specific files forced into default
- Modelled impact: c. EUR 75m impairments over 18 months (FY2016 & H1 2017)
- 9M 2016 impairments on Transportation Clients are EUR 57m

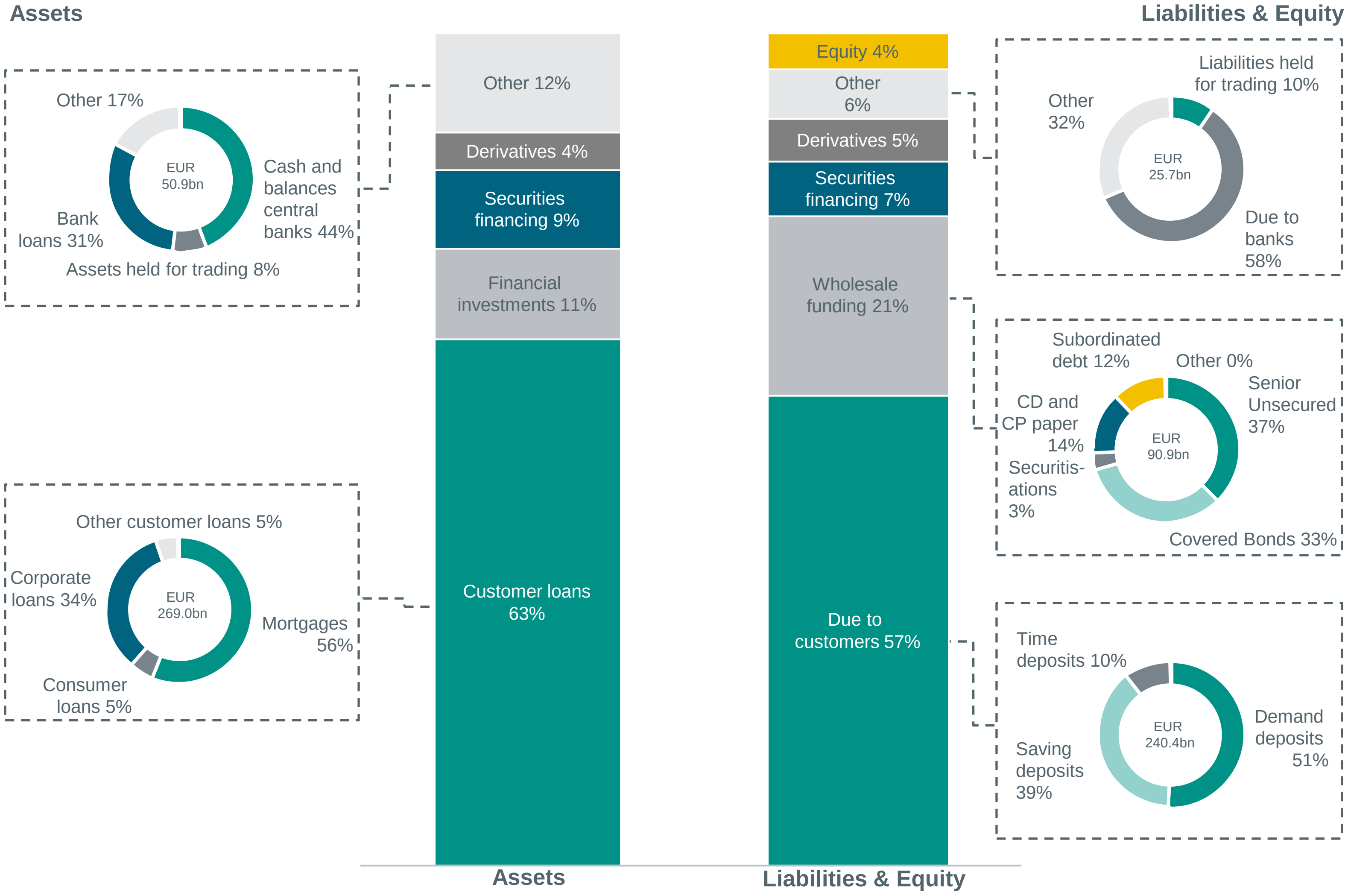
Severe scenario

- Downturn period of 24 months, with increasing oversupply in dry bulk & containers
- Up to a 4 notch downgrade on sub portfolios and specific files forced into default
- Modelled impact: c. EUR 225m impairments over 24 months (FY2016 & FY2017)

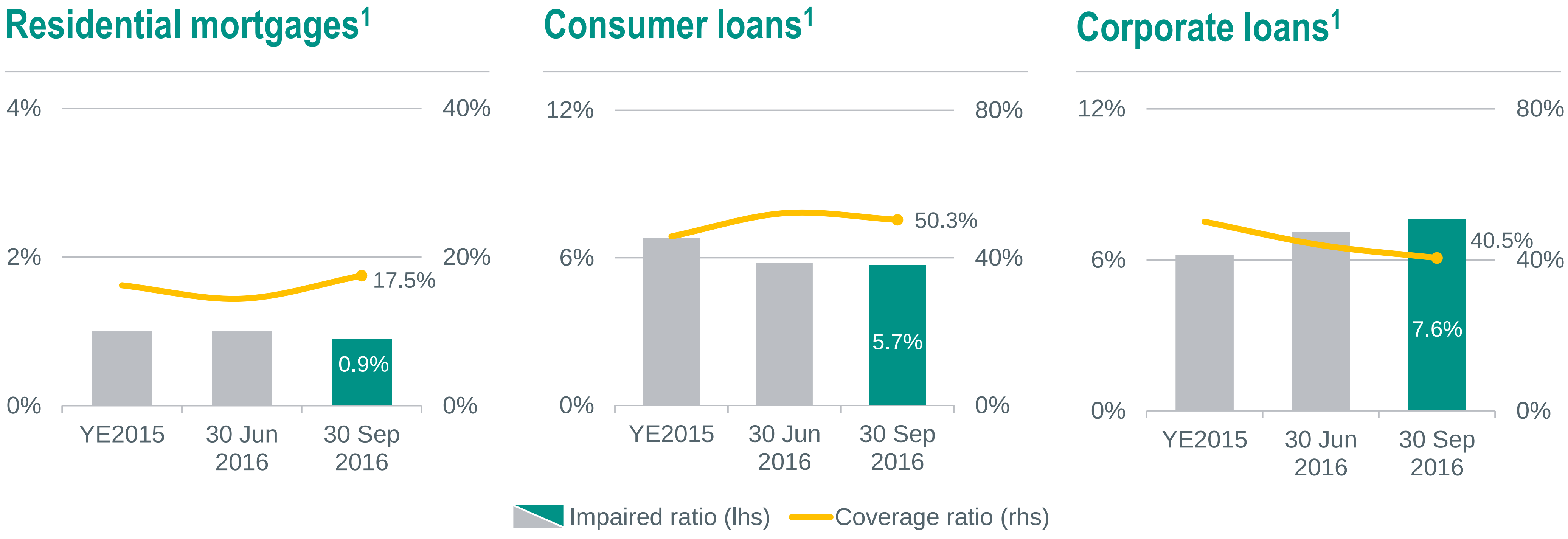
Dry Bulk | Containerships | Off Shore | Car/Roro | Mixed | Intermodal | Shuttle Tankers | LNG | LPG | Tankers

Clean and strong balance sheet of EUR 425bn (30 Sep 2016) reflecting moderate risk profile

- Strong focus on collateralised lending
- Loan portfolio matched deposits, long-term debt and equity
- Strategic focus to limit LtD ratio
- Limited reliance on short-term debt
- Limited market risk and trading portfolios
- Off-balance sheet commitments & contingent liabilities EUR 36.8bn



Risk ratios improved with the exception of Corporate loans



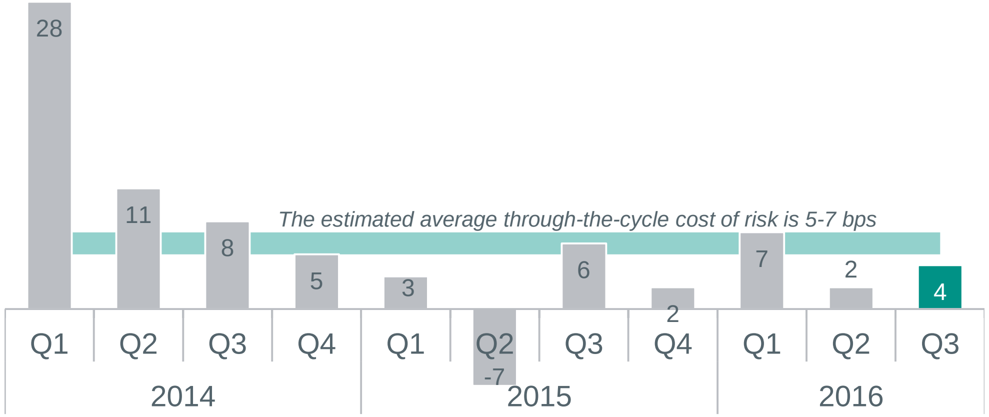
- In Q3 2016 the impaired ratio on customer loan book increased to 3.5% (vs. 3.4% at 30 June 2016)
  - Mortgage portfolio low at 0.9%
  - Consumer loans improved in line with the improved Dutch economy
  - Corporate loans increased mainly due to new ECT files and a single file in Commercial Clients
- Coverage ratio decreased to 38.0% at 30 September 2016 (vs. 39.8% at 30 June 2016) driven by lower allowances for impairments in combination with new impaired files which are largely collateralised

Note(s):
1. *As of 30 September 2016 the definition of default and impaired was aligned. As a result, defaulted clients without an impairment allowance are now also considered to be impaired. The comparing figures in the chart have been restated accordingly* excluding the reclassification in allowances for impairments within residential mortgages

Mortgage book benefits from recovery in housing market and changes in regulation

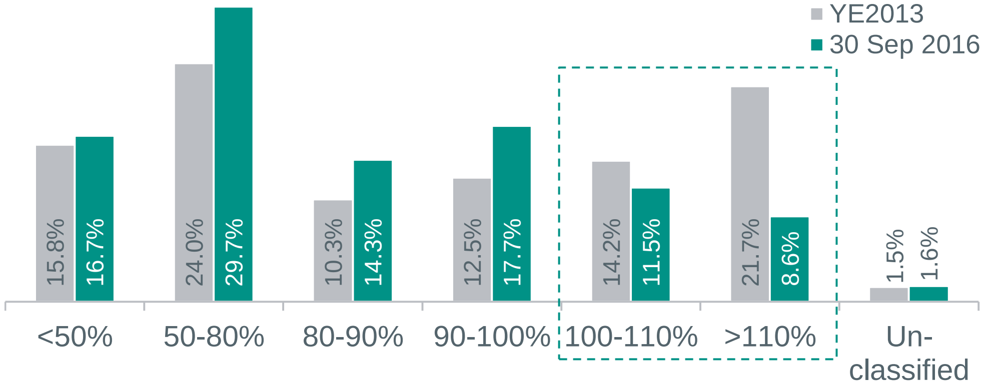
Strong decline in mortgage impairments

Cost of risk declined strongly following the recovery of the Dutch housing market (in bps)

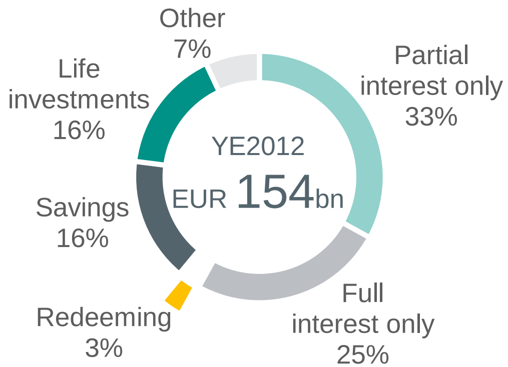


LtMV improved >100%

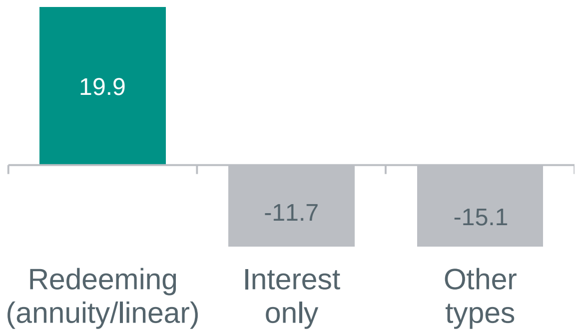
Average LtMV continues to improve: 78% (74% excl. NHG) at 30 September 2016 (vs. 81% YE2015 and 77% excl. NHG)

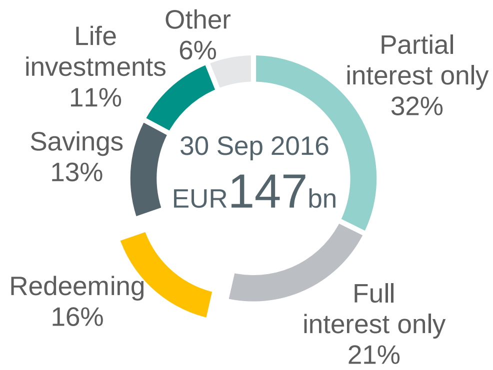


Mortgage book composition changes towards more redeeming loans



Absolute change in mortgage loan book vs. YE2012 (EUR bn)



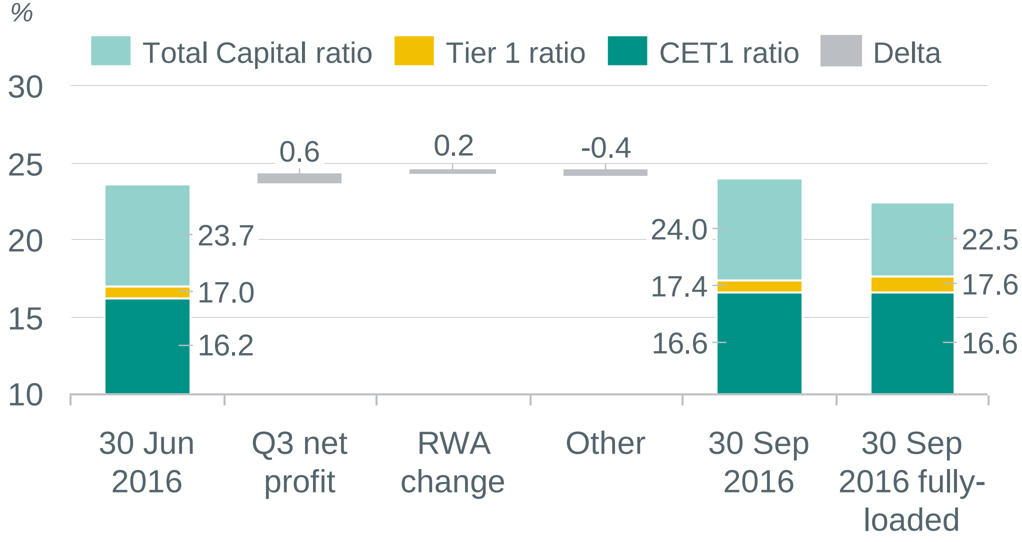


Continued capital accrual, ahead of regulatory clarity

Capital further strengthened

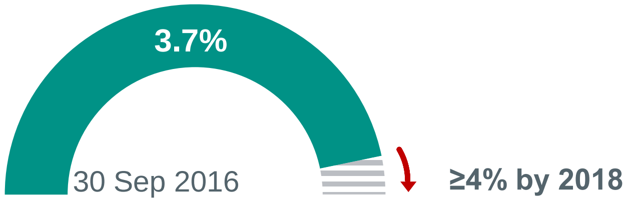
CRD IV phase-in capital, EUR m	30 Sep 2016	YE2015	YE2014
Total Equity (IFRS)	**18,152**	**17,584**	**14,877**
Other	-636	-817	549
CET1	**17,517**	**16,768**	**15,426**
Innovative instruments	-	700	800
Capital securities (AT1)	993	993	-
Other regulatory adjustments	-158	-234	-241
Tier 1	**18,352**	**18,226**	**15,985**
Sub-Debt	7,004	4,938	5,502
Excess T1 recognised as T2	-	300	200
Other adjustments	-56	-33	-39
Total capital	**25,299**	**23,431**	**21,648**
O/w IRB Provision shortfall	282	261	97
Total RWA	**105,318**	**108,001**	**109,647**
- O/w Credit risk	84,155	86,063	87,667
- O/w Operational risk	17,003	16,227	16,168
- O/w Market risk	4,160	5,710	5,811
Leverage ratio (fully-loaded)	**3.7%**	**3.8%**	**3.7%**

Capital ratio developments



- Capital ratios improved through retention, capital issuances/refinancing and lower RWAs
- RWA declined vs YE2015, driven by Internal Model Approach compliancy in market risk and lower credit risk
- Leverage ratio decreased to 3.7% due to seasonal increase in balance sheet volume

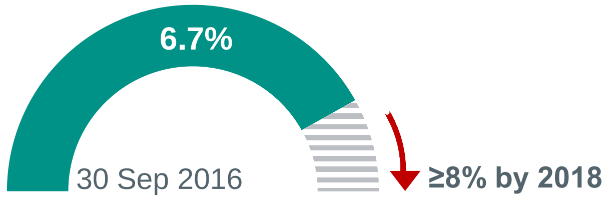
Leverage ratio ambition



- **Steering** through profit retention, additional AT1 issuance, manage balance sheet and product offering
- **Regulatory** developments: a change in Clearing treatment could lower the Exposure Measure and result in an estimated 30-40bps increase of the leverage ratio, however this could partly be offset by an adjustment of the credit conversion factors for off-balance exposures
- **Ambition** requires EUR 1.7bn in profit retention and/or additional T1 capital and/or a reduction in Exposure Measure by ~40bn

MREL ambition

Based on Own Funds (CET1, AT1 and T2) and other subordinated liabilities, and excluding senior unsecured



- **Steering** through profit retention, subordinated debt issuance, manage balance sheet and currently excludes the use of senior unsecured
- **Regulatory:**
  - Final regulations determine final requirements (includes NRA/SRB guidance)
  - Pre-position for TLAC: although not directly applicable to ABN AMRO, TLAC is considered to be more or less in line with MREL ambition
- **Ambition** requires approx. EUR 5.5bn increase of Own Funds (CET1, AT1 and T2) or other sub debt

Split of Pillar 2 in preliminary SREP lowers CET1 requirement in 2017[1]

9% CET1 requirement expected for 2017, down from 10.25% in 2016

- 4.50% Pillar 1 (P1)
- 1.75% Pillar 2 Requirement (P2R)
- 1.25% Capital Conservation Buffer (CCB)
- 1.50% Systemic Risk Buffer (SRB)

11.75% fully-loaded CET1 expected for 2019

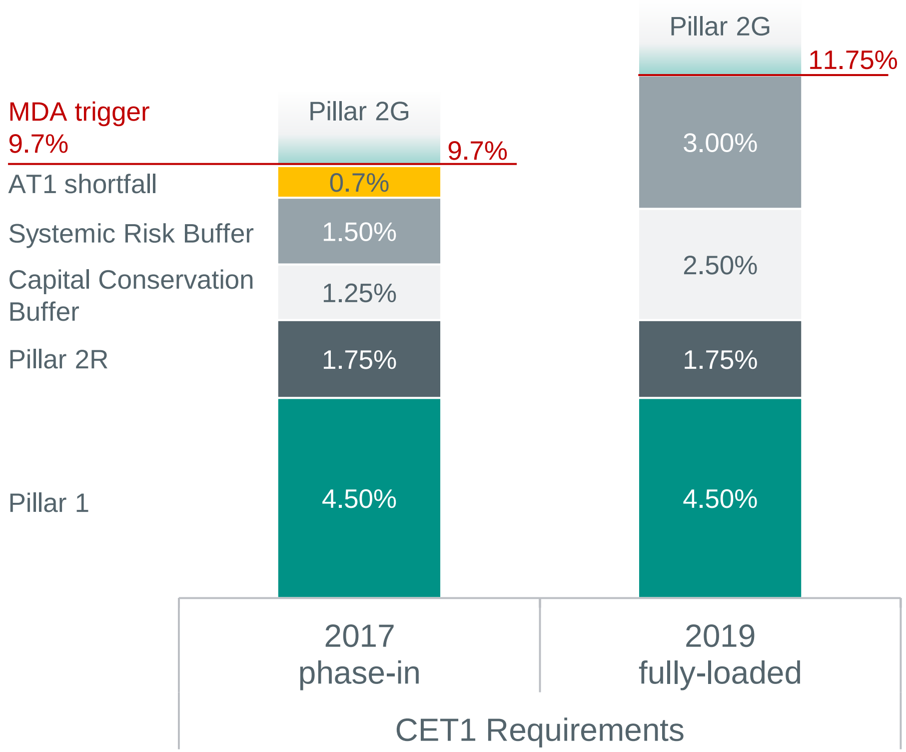
- 3.0% SRB (up from 1.5%)
- 2.5% CCB (up from 1.25%)

ABN AMRO anticipates a 13.5% CET1 target (upper end of current range)[2], with

- Fully-loaded CCB and SRB
- P2G (non-public)
- Management buffer

Preliminary SREP outcome

Pillar 2 is split in P2R and P2G. P2G is a non-public regulatory buffer and is excluded from the MDA trigger



Note(s):
1 The preliminary SREP outcome is subject to change and regulatory approval and currently excludes any requirement for a Countercyclical Buffer
2 Excluding possible implications and consequences from the revisions to the calculation of risk weighted assets (Basel IV)

Current capital buffers

Preliminary MDA trigger in 2017[1]

FL CET1 of 16.6% at Q3 2016 is well above the 9% preliminary SREP requirement for 2017

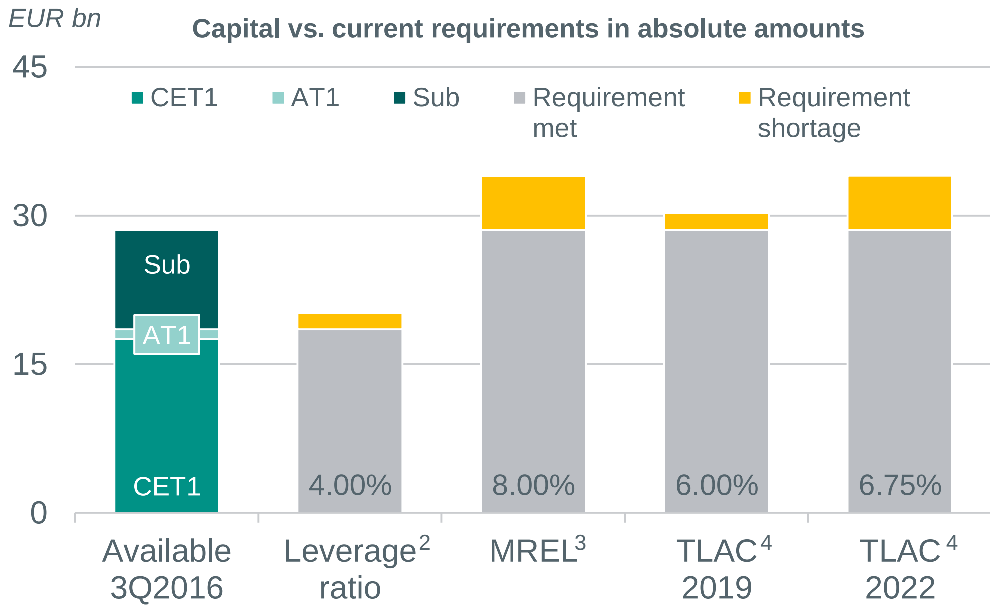
Maximum Distributable Amount (MDA) on a consolidated group basis:

- Current capital position of 16.6% FL CET1 provides a strong buffer before MDA restrictions apply
- 9.7% CET1 MDA-trigger expected, given 0.7% AT1 shortfall (Q3 2016). Pillar 2 Guidance (P2G), is excluded from the calculated MDA trigger

Expected MDA-trigger of 11.75% CET1 in 2019

- 3.0% SRB (up from 1.5%)
- 2.5% CCB (up from 1.25%)

Capital implications seem manageable



- Implications from requirements such as Leverage, MREL and TLAC seem manageable
- Basel IV implications remain uncertain

Note(s):
1. *The preliminary SREP outcome is subject to change and regulatory approval and currently excludes any requirement for a Countercyclical Buffer*
2. *Based on Exposure Measure (eligible instruments: CET1 and AT1/T1)*
3. *Based on balance sheet total (eligible instruments: CET1, AT1/T1 and sub debt)*
4. *In the case of ABN AMRO, currently, based on the most constraining being the 6.00 - 6.75% Exposure Measure (eligible instruments: CET1, AT1 /T1 and sub debt)*

Capital instruments – significant buffer of loss absorbing instruments

Type	Size (m)	Loss absorption	Callable	Maturity	Coupon	ISIN	Eligibility based on current understanding					
							Basel 3 / CRD 4	BRRD MREL	FSB TLAC	S&P ALAC	Moody's LGF	Fitch QJD
Tier 1 : deeply subordinated notes												
OpCo AT1, 9/2015	EUR 1,000	Statutory	Sep 2020	Perpetual	5.75% p.a.	XS1278718686	✓	✓	✓	✓	✓	✓
Tier 2: subordinated notes												
OpCo T2, 4/2011	EUR 1,227	Statutory	Bullet	27 Apr 2021	6.375% p.a.	XS0619548216	GF	✓	✓	✓	✓	✓
OpCo T2, 4/2011	USD 595	Statutory	Bullet	27 Apr 2022	6.250% p.a.	XS0619547838	GF	✓	✓	✓	✓	✓
OpCo T2, 6/2011	USD 113	Statutory	Bullet	15 May 2023	7.75% p.a.	144A: US00080QAD79 RegS:USN0028HAP03	GF	✓	✓	✓	✓	✓
OpCo T2, 6/2015	EUR 1,500	Statutory	Jun 2020	30 Jun 2025	2.875% p.a.	XS1253955469	✓	✓	✓	✓	✓	✓
OpCo T2, 7/2015	USD 1,500	Statutory	Bullet	28 Jul 2025	4.750% p.a.	XS1264600310	✓	✓	✓	✓	✓	✓
OpCo T2, 4/2016	SGD 450	Statutory	Apr 2021	1 Apr 2026	4.75% p.a.	XS1341466487	✓	✓	✓	✓	✓	✓
OpCo T2, 4/2016	USD 1,000	Statutory	Bullet	18 Apr 2026	4.8% p.a.	XS1392917784/US00084 DAL47	✓	✓	✓	✓	✓	✓
OpCo T2, 1/2016	EUR 1,000	Statutory	Jan 2023	18 Jan 2028	2.875% p.a.	XS1346254573	✓	✓	✓	✓	✓	✓
OpCo T2, 3/2016	USD 300	Statutory	Bullet	8 Apr 2031	5.6% p.a.	XS1385037558	✓	✓	✓	✓	✓	✓
Subordinated notes (pari passu with Tier 2)												
OpCo, 9/2012	USD 1,500	Statutory	Sep 2017	13 Sep 2022	6.25% p.a.	XS0827817650	✗	✓	✓	✓	✓	✓
OpCo, 10/2012	SGD 1,000	Statutory	Oct 2017	25 Oct 2022	4.70% p.a.	XS0848055991	✗	✓	✓	✓	✓	✓
OpCo, 7/2012	EUR 1,000	Statutory	Bullet	6 Jul 2022	7.125% p.a.	XS0802995166	✗	✓	✓	✓	✓	✓
OpCo	EUR 212 various instruments	Statutory					✗	✓	✓	✓	✓	✓

Overview at 16 November 2016. GF = grandfathered instruments, subject to annual amortisation

AT1 disclosures (as of 30 Sep 2016)

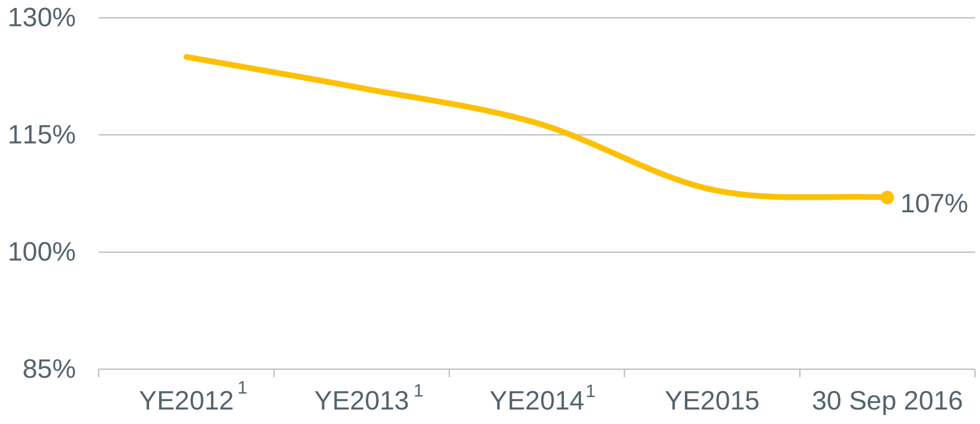
Triggers	Trigger Levels	CET1 ratio	Distr. Items (EUR bn)
- ABN AMRO Group	7.000%	16.6%	n/a
- ABN AMRO Bank	5.125%	16.6%	15,649
- ABN AMRO Bank Solo cons.	5.125%	15.3%	n/a

Liquidity ratios and liquidity buffer actively managed

Solid ratios and strong buffer

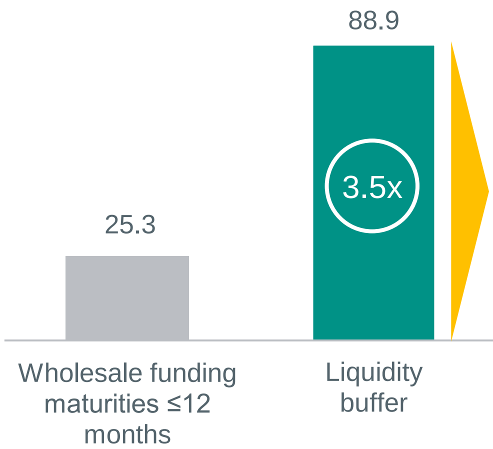
- Funding primarily raised through client deposits (89% of client loans)
  - largest part of Dutch consumer savings is with pension and life insurance industry
  - LtD ratio strongly improved over the years: currently at 107%
- LCR and NSFR ratios comply with future requirements: >100% in Q3
- Drivers liquidity buffer
  - Safety cushion in case of severe liquidity stress
  - Regularly reviewed for size and stress
  - Size in anticipation of LCR guidelines and regulatory focus on strengthening buffers
  - Unencumbered and valued at liquidity value
  - Focus is on optimising composition and negative carry

Loan-to-deposit ratio significantly improved



Composition liquidity buffer

EUR bn, 30 Sep 2016



Buffer composition	EUR bn	%	LCR
Government Bonds	30.9	35%	✓
Retained RMBS	23.3	26%	×
Cash/Central Bank Deposits	21.7	24%	✓
Covered Bonds	1.8	2%	✓
Third Party RMBS	1.5	2%	✓
Other	9.7	11%	✓

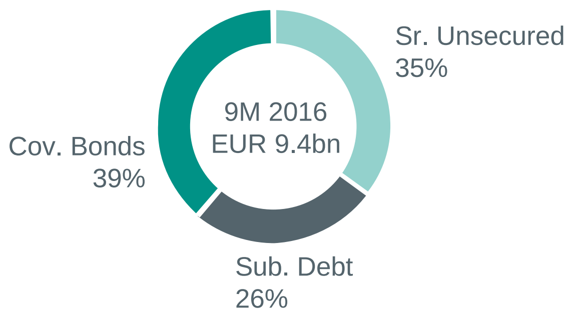
Note(s):
1. Not adjusted for the implemented offsetting policy on notional cash pool balances

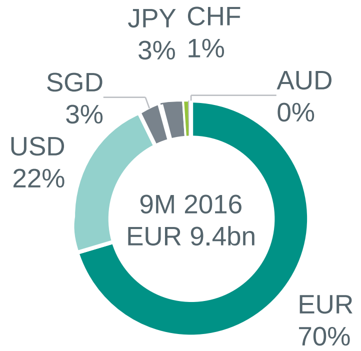
Well diversified mix of wholesale funding

Funding focus & successful strategy

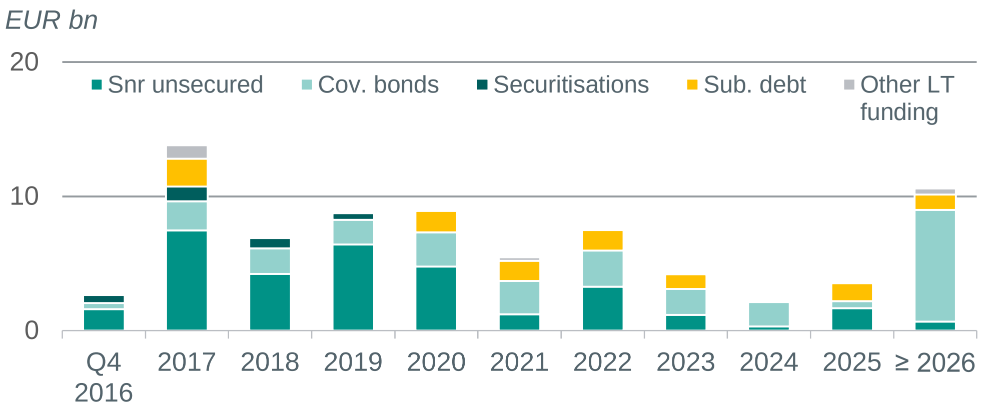
- Diversifying funding sources, steered towards more foreign currencies
- Lower short term funding
- Secured funding used strategically: asset encumbrance 15.7% at YE2015 (19.1% YE2013)
- Avg. maturity to 4.5yrs on 30 September 2016

Diversification issued term funding

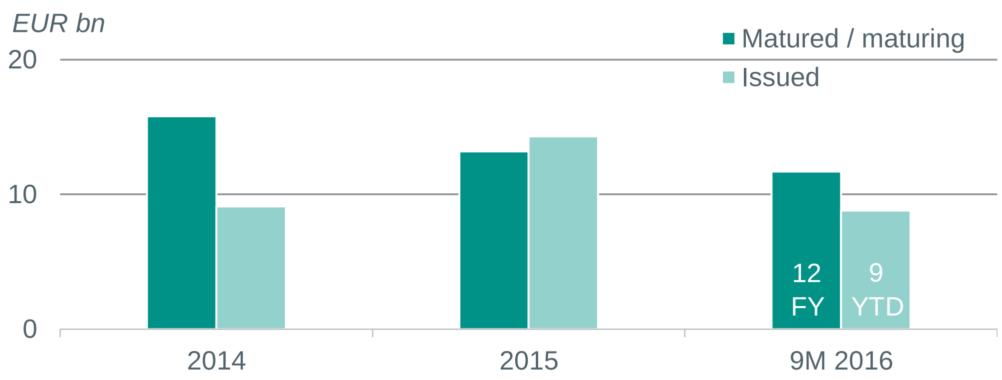




Maturity calendar term funding [1]



Maturing vs. issued term funding



Note(s):
1. Based on notional amounts. Securitisation = RMBS, other ABS and LT repos. Other LT funding = other LT funding not classified as issued debt which includes long-term repos and funding with the Dutch State as counterparty

Credit ratings

Ratings of ABN AMRO Bank NV dated 15 November 2016

Capital ratings

S&P/Moody's/Fitch

- AT1: BB/nr/BB+
- T2: BBB-/Baa2/A-

S&P

Rating structure		
▪ Anchor	BICRA 3	bbb+
▪ Business position	Adequate	+0
▪ Capital & earnings	Adequate	+0
▪ Risk position	Adequate	+0
▪ Funding Liquidity	Average Adequate	+0
SACP		**bbb+**
▪ ALAC		+2
Issuer Credit Rating		**A/St**

21/10/2016: *"Our assessment of ABN AMRO's business position as "adequate" reflects the dominance of relatively stable activities in its business mix of domestic retail and commercial banking activities, and private banking, supported by sound market positions"*

Moody's

Rating structure	
Macro Score	Strong +
▪ Solvency Score	a3
▪ Liquidity Score	baa2
Financial Profile	baa1
▪ Adjustments	+0
Assigned adj. BCA	**baa1**
▪ LGF	+2
▪ Government Support	+1
Senior Unsecured Rating	**A1/St**

1/06/2016: *"ABN AMRO's baseline credit assessment of baa1 reflects the bank's overall good financial fundamentals including restored profitability and asset quality, solid capitalization and a sound liquidity position. It further captures the bank's strong footprint in the Dutch market, its balanced business mix between retail and commercial banking, and its private banking activity which conducted across Europe."*

Fitch

Rating structure	
▪ Viability Rating	A
▪ Qualifying Junior Debt	+1
▪ Support Rating Floor	No floor
Issuer Default Rating	**A+/St**

14/04/2016: *"ABN AMRO's ratings reflect its strong Dutch franchise, complemented by its international private banking and energy, commodities and transportation franchises, providing it with resilient revenue generation."*

annex

Overview of reconciled underlying & reported quarterly results

	2016			2015				2014			
EUR m	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net interest income	1,575	1,582	1,545	1,497	1,524	1,511	1,545	1,620	1,530	1,441	1,432
Net fee and commission income	437	431	435	454	449	456	470	431	419	420	421
Other operating income	210	188	-10	101	136	159	154	95	61	56	129
Operating income	**2,222**	**2,201**	**1,971**	**2,052**	**2,109**	**2,126**	**2,168**	**2,145**	**2,009**	**1,917**	**1,983**
Operating expenses	1,372	1,260	1,319	1,528	1,234	1,247	1,219	1,397	1,147	1,162	1,143
Operating result	**849**	**941**	**651**	**524**	**875**	**879**	**949**	**748**	**862**	**755**	**840**
Impairment charges	23	54	2	124	94	34	252	181	287	342	361
Operating profit before taxes	**826**	**887**	**650**	**399**	**781**	**845**	**697**	**567**	**575**	**413**	**479**
Income taxes	220	225	175	128	272	244	154	167	125	91	101
Underlying profit for the period	**607**	**662**	**475**	**272**	**509**	**600**	**543**	**400**	**450**	**322**	**378**
Special items and divestments		-271	-	-	-	-	-	-	-67	-283	-67
Profit for the period	**607**	**391**	**475**	**272**	**509**	**600**	**543**	**400**	**383**	**39**	**311**
FTE	21,809	21,939	21,999	22,048	22,101	22,151	22,224	22,215	22,242	22,019	22,255

Recent wholesale funding benchmark transactions

Issuer of the Year
Financial Issuer of the Year
SRI Bond of the Year
2015 WINNER
ABN AMRO

Type[1]	Size (m)	Maturity	Spread (coupon) [2]	Issue date	Maturity date	ISIN
YTD 2016 benchmarks						
Sr Un (144A)	USD 750	3yrs	T+90 (1.8%)	20.09.' 16	20.09.'19	XS1492363848 / US00084DAM20
Sr Un Green	EUR 500	6yrs	m/s+52 (0.625%)	31.05.'16	31.05.'22	XS1422841202
T2 (144A)	USD 1,000	10yrs	T+310 (4.8%)	18.04.'16	18.04.'26	XS1392917784 / US00084DAL47
CB	EUR 2,250	15yrs	m/s+26 (1%)	13.04.'16	13.04.'31	XS1394791492
T2	USD 300	15yrs	3mL+352.7 (5.6%)	08.04.'16	08.04.'31	XS1385037558
T2	SGD 450	10yrs	SOR +271 (4.75%)	01.04.'16	01.04.'26	XS1341466487
T2	EUR 1,000	12yrs	m/s+245 (2.875%)	18.01.'16	18.01.'28	XS1346254573
CB	EUR 1,250	10yrs	m/s+11 (0.875%)	14.01.'16	14.01.'26	XS1344751968
2015 benchmarks						
CB	EUR 1,500	15yrs	m/s+20 (1.50%)	22.09.'15	30.09.'30	XS1298431799
AT1	EUR 1,000	10yrs	5.75%	15.09.'15	22.09.'25	XS1278718686
T2 (144A)	USD 1,500	10yrs	T+245 (4.75%)	28.07.'15	28.07.'25	XS1264600310 / US00080QAF28
T2	EUR 1,500	10yrs	m/s+235 (2.875%)	30.06.'15	30.06.'25	XS1253955469
Sr Un Green	EUR 500	5yrs	m/s+45 (0.75%)	09.06.'15	09.06.'20	XS1244060486
Sr Un (144A)	USD 500	3yrs	T+87.5 (1.8%)	28.05.'15	28.05.'18	XS1241945390 / US00084DAK63
Sr Un (144A)	USD 1,750	5yrs	T+100 (2.45%)	04.06.'15	04.06.'20	XS1241945473 / US00084DAJ90
Sr Un	EUR 1,250	10yrs	m/s+58 (1.00%)	16.04.'15	16.04.'25	XS1218821756
2014 benchmarks						
RMBS	EUR 500	4.9yrs	3me+37	22.10.'14	28.09.'19	XS1117961653
Sr Un	AUD 100	3yrs	3mBBSW +135	05.02.'14	05.02.'17	AU3FN0021994
Sr Un	AUD 400	5yrs	ASW+135 (4.75%)	05.02.'14	05.02.'19	AU3CB0218345
CB	EUR 1,500	10yrs	m/s+34 (2.375%)	23.01.'14	23.01.'24	XS1020769748

Note(s):
1. Sr Un = Senior Unsecured, Sr Un Green = Senior Unsecured Green Bonds, CB = Covered Bond, RMBS = Residential Mortgage Backed Security, (L)T2 = (Lower) Tier 2
2. 3me = three months Euribor, T= US Treasuries, 3mL= three months US Libor, G=Gilt

Important notice

For the purposes of this disclaimer ABN AMRO Group N.V. and its consolidated subsidiaries are referred to as "ABN AMRO“. This document (the “Presentation”) has been prepared by ABN AMRO. For purposes of this notice, the Presentation shall include any document that follows and relates to any oral briefings by ABN AMRO and any question-and-answer session that follows such briefings. The Presentation is informative in nature and is solely intended to provide financial and general information about ABN AMRO following the publication of its most recent financial figures. This Presentation has been prepared with care and must be read in connection with the relevant Financial Documents (latest Quarterly Report and Annual Financial Statements, "Financial Documents"). In case of any difference between the Financial Documents and this Presentation the Financial Documents are leading. The Presentation does not constitute an offer of securities or a solicitation to make such an offer, and may not be used for such purposes, in any jurisdiction (including the member states of the European Union and the United States) nor does it constitute investment advice or an investment recommendation in respect of any financial instrument. Any securities referred to in the Presentation have not been and will not be registered under the US Securities Act of 1933. The information in the Presentation is, unless expressly stated otherwise, not intended for residents of the United States or any "U.S. person" (as defined in Regulation S of the US Securities Act 1933). No reliance may be placed on the information contained in the Presentation. No representation or warranty, express or implied, is given by or on behalf of ABN AMRO, or any of its directors or employees as to the accuracy or completeness of the information contained in the Presentation. ABN AMRO accepts no liability for any loss arising, directly or indirectly, from the use of such information. Nothing contained herein shall form the basis of any commitment whatsoever. ABN AMRO has included in this Presentation, and from time to time may make certain statements in its public statements that may constitute “forward-looking statements”. This includes, without limitation, such statements that include the words ‘expect’, ‘estimate’, ‘project’, ‘anticipate’, ‘should’, ‘intend’, ‘plan’, ‘probability’, ‘risk’, ‘Value-at-Risk (“VaR”)’, ‘target’, ‘goal’, ‘objective’, ‘will’, ‘endeavour’, ‘outlook’, 'optimistic', 'prospects' and similar expressions or variations on such expressions. In particular, the Presentation may include forward-looking statements relating but not limited to ABN AMRO’s potential exposures to various types of operational, credit and market risk. Such statements are subject to uncertainties. Forward-looking statements are not historical facts and represent only ABN AMRO's current views and assumptions on future events, many of which, by their nature, are inherently uncertain and beyond our control. Factors that could cause actual results to differ materially from those anticipated by forward-looking statements include, but are not limited to, (macro)-economic, demographic and political conditions and risks, actions taken and policies applied by governments and their agencies, financial regulators and private organisations (including credit rating agencies), market conditions and turbulence in financial and other markets, and the success of ABN AMRO in managing the risks involved in the foregoing. Any forward-looking statements made by ABN AMRO are current views as at the date they are made. Subject to statutory obligations, ABN AMRO does not intend to publicly update or revise forward-looking statements to reflect events or circumstances after the date the statements were made, and ABN AMRO assumes no obligation to do so.

Address

Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

Website

www.abnamro.com/ir

Questions

investorrelations@nl.abnamro.com