ABN·AMRO

Q1 2015 results

analyst and investor call presentation

Investor Relations
13 May 2015

Q1 2015 highlights

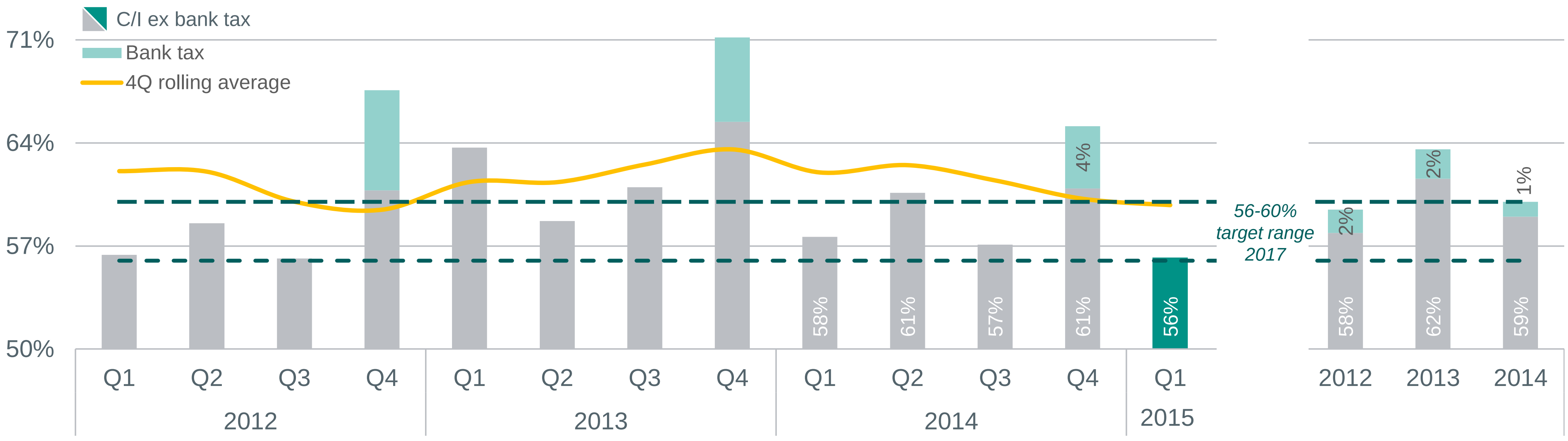
Q1 performance was good

- Underlying net profit at EUR 543m, up 44% vs. Q1 2014
- Operating income up 9%, driven by improved results in all line items, expenses were up 7%
- Pick up of economy and Dutch housing market reflected in 30% lower impairments
- Realisation of 2017 targets on track
  - Cost/income at 56%
  - ROE at 14.1%
  - Fully-loaded CET1 at 14.2%
- Including expected levies* (approx. EUR 250m to be recorded in H2) on a linear basis:
  - Cost/income at around 59%
  - ROE at around 12.5%
- There were no special items in Q1

* Banking tax, contribution resolution fund, (European) deposit guarantee scheme

Cost/income target

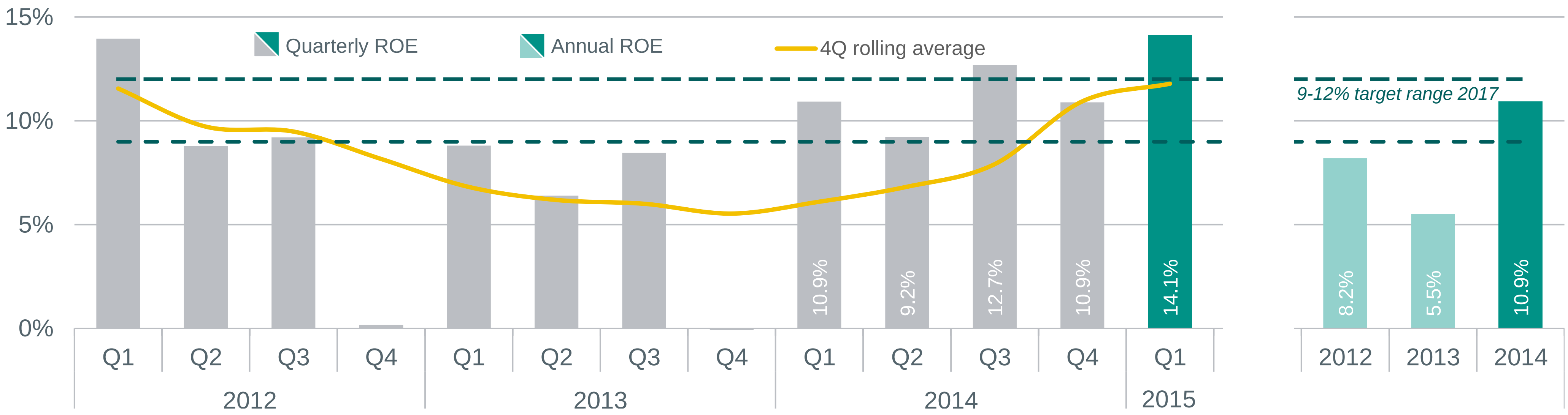
Q1 2015 cost/income ratio within the 2017 target range



- Q1 2015 C/I improved to 56% compared to 58% Q1 2014
- Including expected regulatory costs in H2 (evenly spread over the quarters) C/I would remain within the target range 2017 at around 59%

Return on Equity target

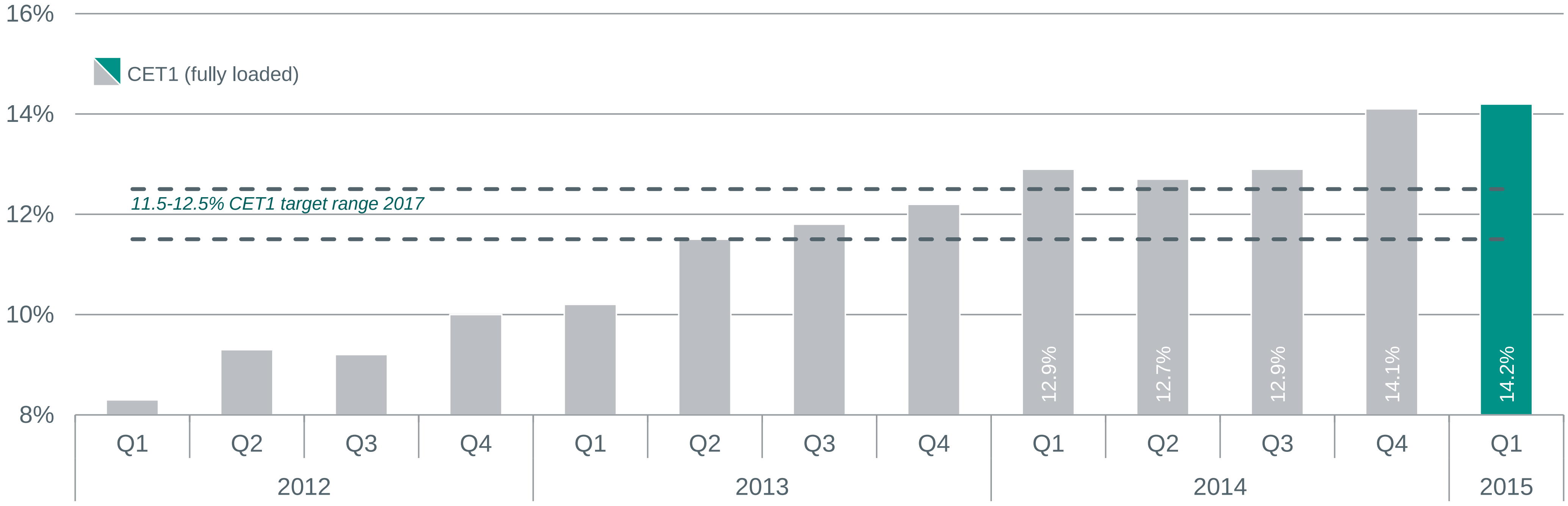
Q1 2015 ROE above target range 2017



- Q1 2015 ROE and 4Q rolling average both show clear improvements
- Including expected regulatory costs ROE would be around 12.5% for Q1 2015
- All business segments contributed to the improvement in ROE

CET1 fully loaded capital target

Strong capital position above 2017 target range



- Fully-loaded CET1 above 2017 target range of 11.5-12.5% which provides a cushion for possible regulatory changes on risk weights
- Consistent capital accretion, while dividends paid
- Fully-loaded Leverage Ratio 3.5%

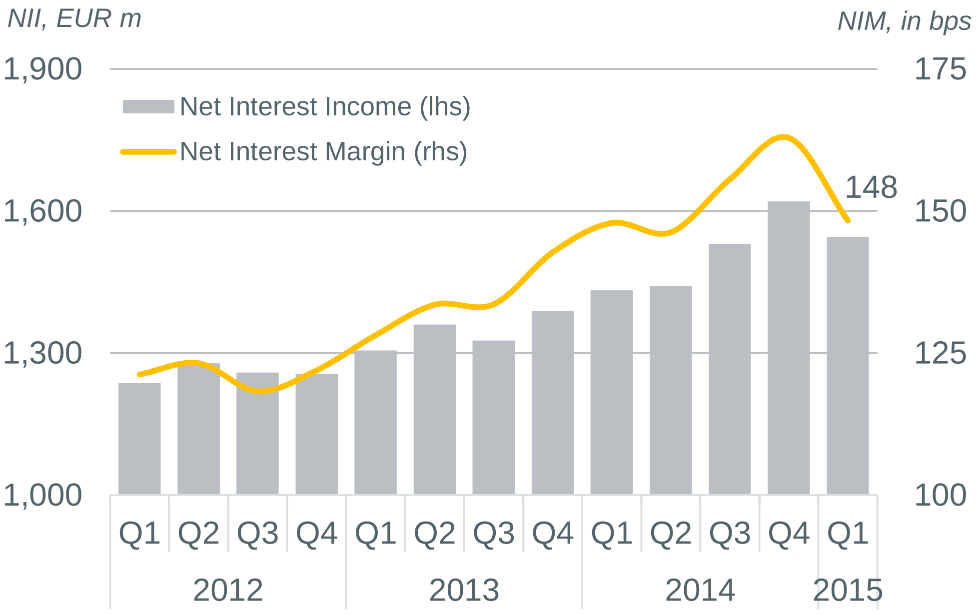
Results

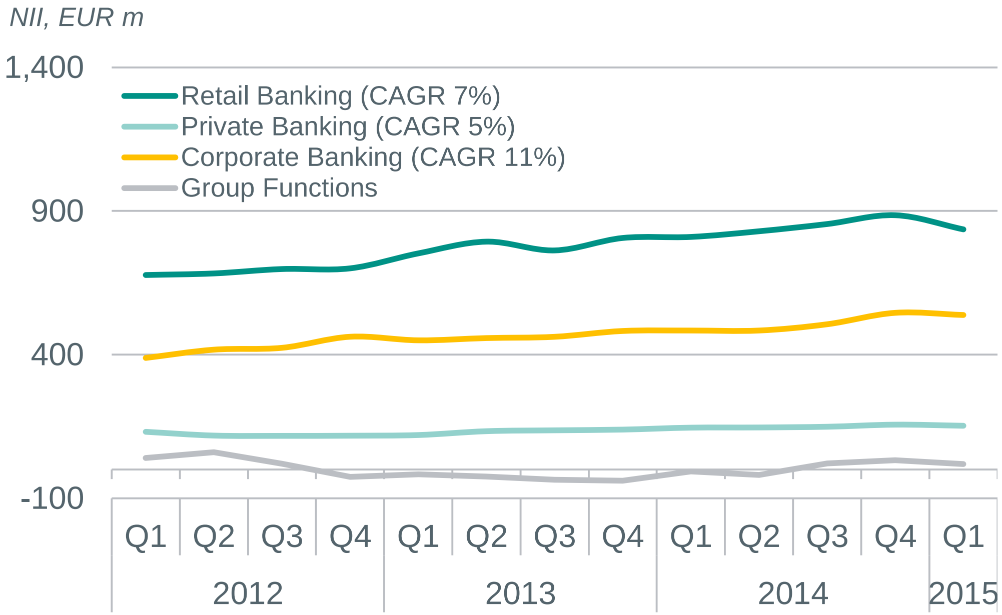
Good Q1 2015 result supported by higher income and lower impairments

EUR m	Q1 2015	Q1 2014	Delta	2014	2013	Delta
Net interest income	1,545	1,432	*8%*	6,023	5,380	*12%*
Net fee and commission income	470	421	*11%*	1,691	1,643	*3%*
Other operating income	154	129	*19%*	341	423	*-19%*
Operating income	**2,168**	**1,983**	***9%***	**8,055**	**7,446**	***8%***
Operating expenses	1,219	1,143	7%	4,849	4,733	2%
Operating result	**949**	**840**	***13%***	**3,206**	**2,713**	***18%***
Impairment charges	252	361	*-30%*	1,171	1,667	*-30%*
Income tax expenses	154	101	*52%*	484	294	*65%*
Underlying profit for the period	**543**	**378**	***44%***	**1,551**	**752**	***106%***
Special items and divestments	0	-67		-417	408	
Reported profit for the period	**543**	**311**		**1,134**	**1,160**	
Underlying cost/income ratio (%)	56%	58%		60%	64%	
Underlying return on avg. IFRS equity (%)	14.1%	10.9%		10.9%	5.5%	
Net interest margin (bps)	148	148		153	134	

Interest income

Interest income remained at high levels

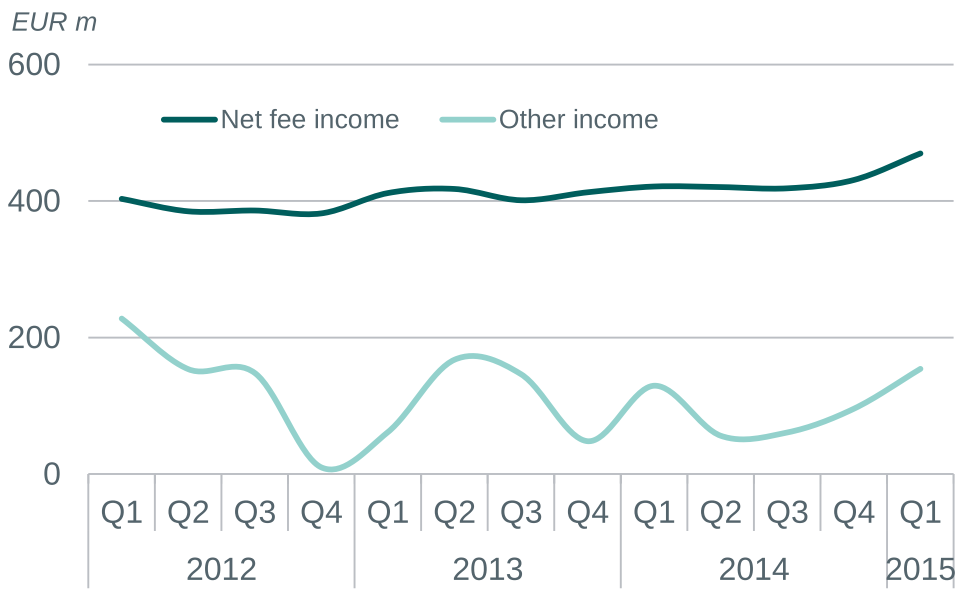


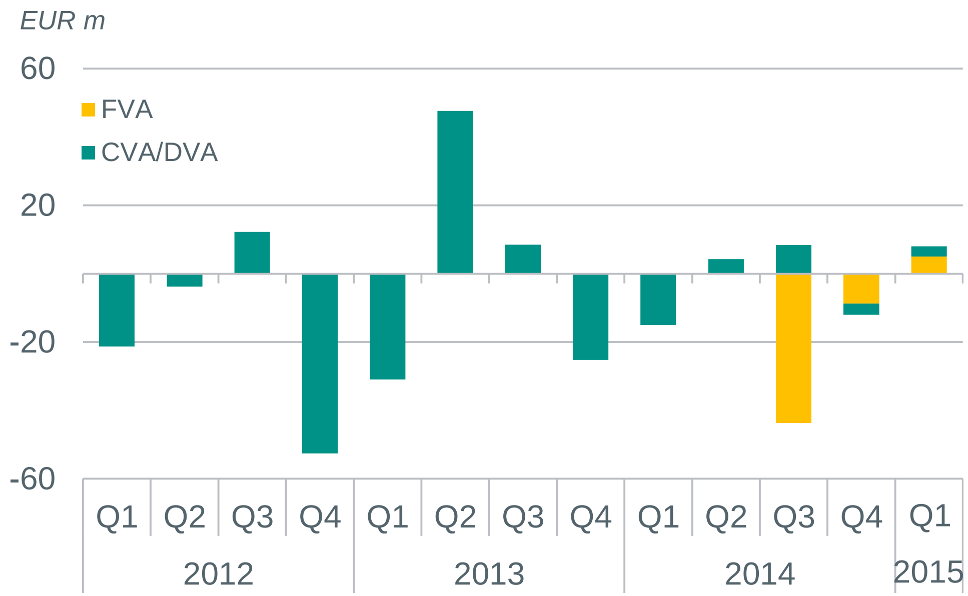


- NII increased by 8% vs. Q1 2014
- Driven by higher margins on mortgages and commercial loans, growth in commercial loan volume and improved ALM income
- Net interest margin and income came down vs. Q4 2014 because of the increase in balance sheet as well as some income incidentals in Q4

Net Fee and Other operating income

Fee income increases over time

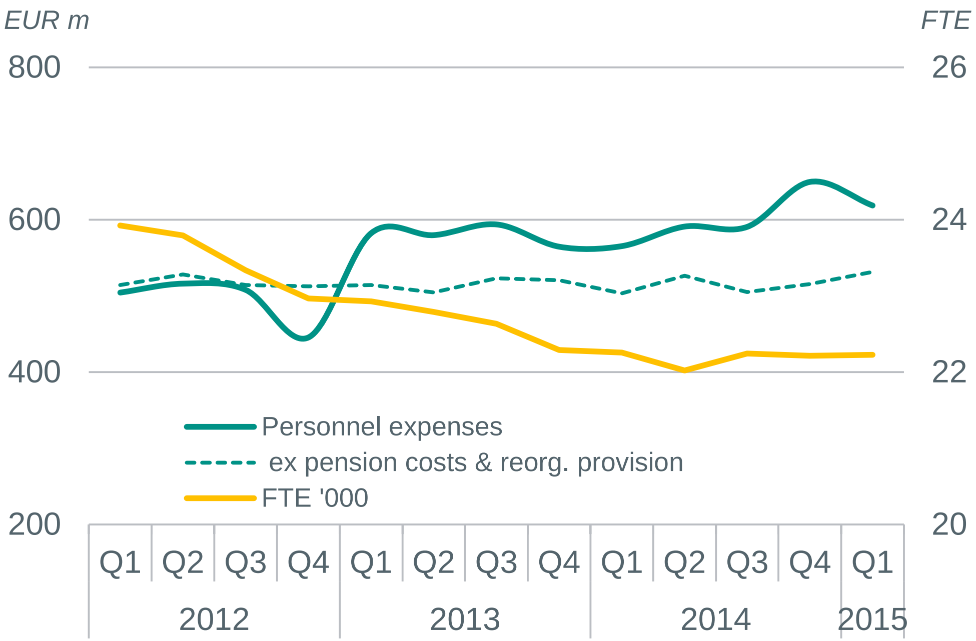


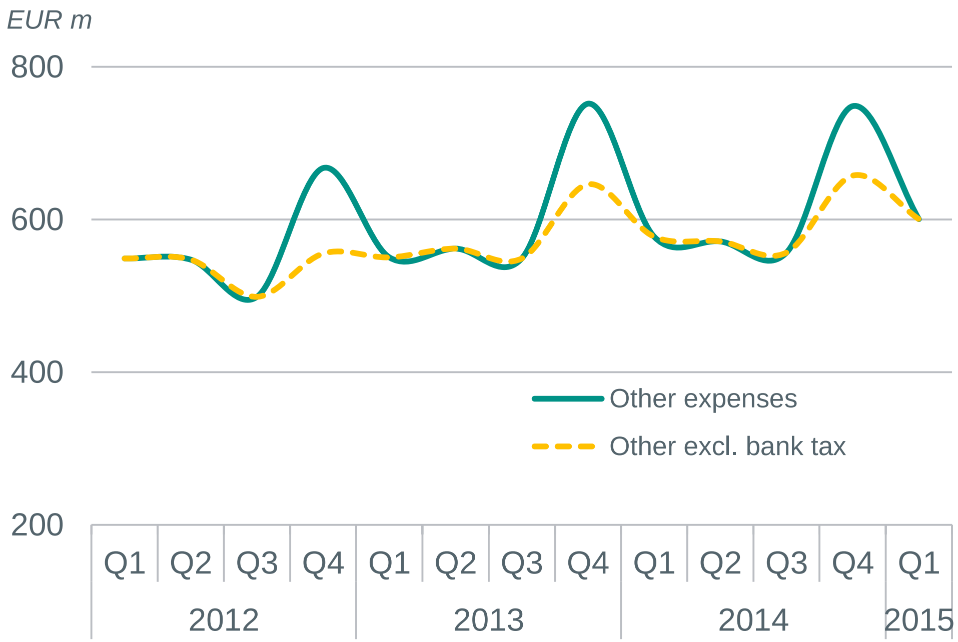


- Fee income up 11% vs. Q1 2014, driven by Private and Corporate Banking
- Other income volatile, partly due to volatile CVA, DVA and FVA effects

Expenses

Expenses increased for several reasons

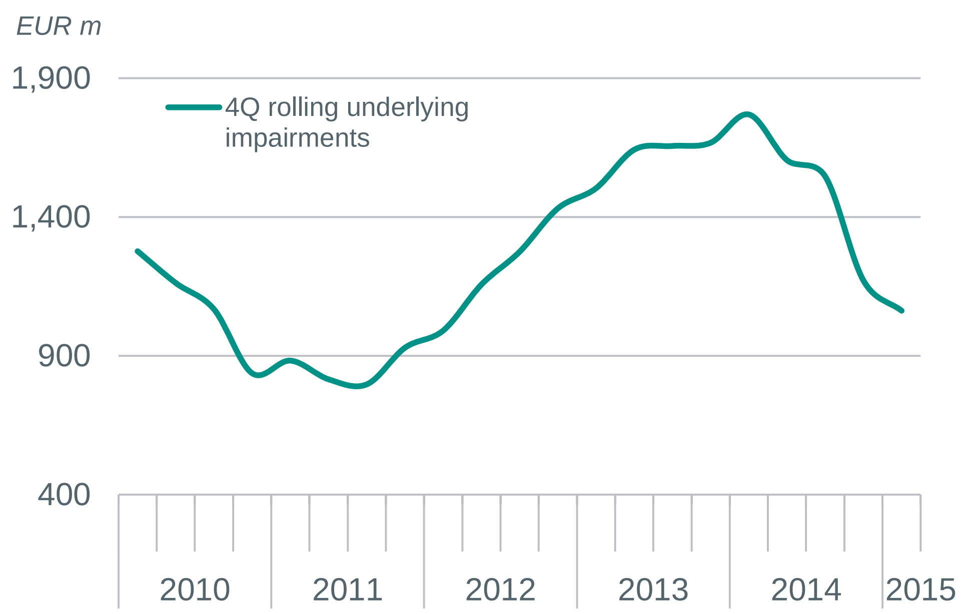


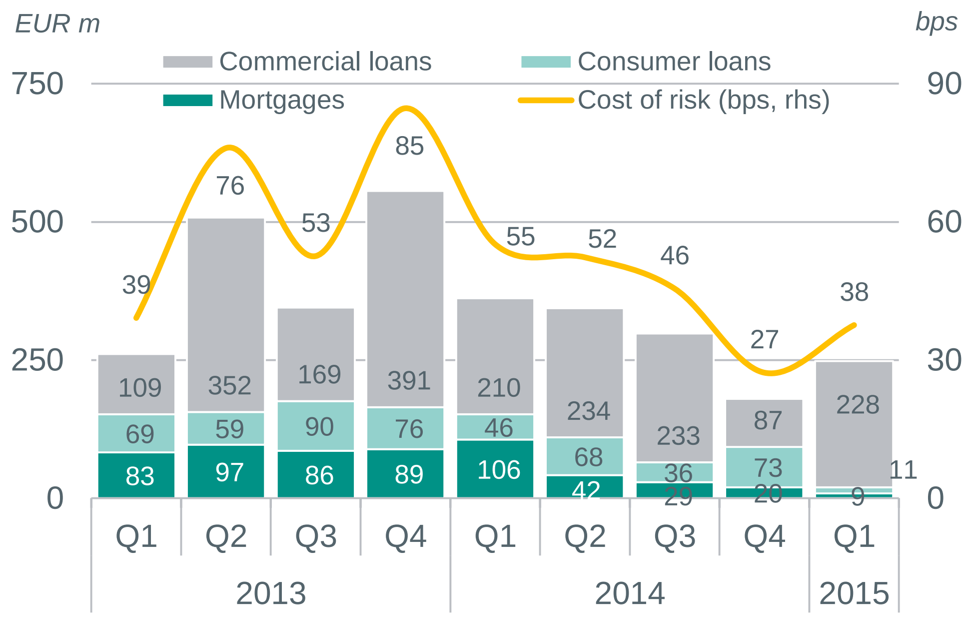


- Expenses up 7% vs. Q1 2014 due to
  - higher pension costs following low interest rate (EUR 25m)
  - reorganisation at Corporate Banking (EUR 19m)
- Other expenses typically peak in Q4 due to the annual charge of Dutch bank tax

Loan impairments

Loan impairments continue to trend downwards

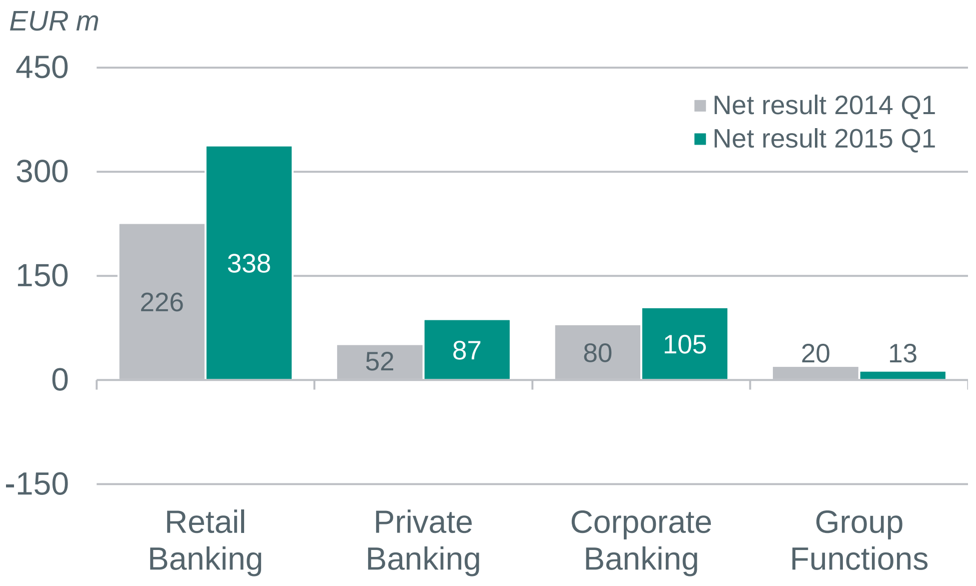


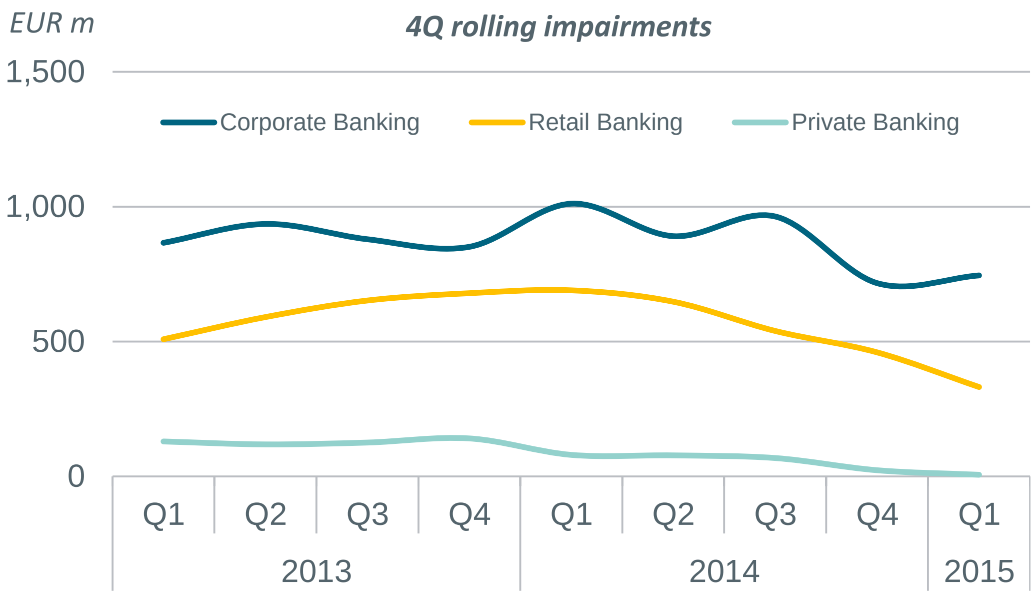


- Downward trend of 4Q rolling underlying impairments continued in Q1 2015
- Impairments down significantly in mortgages as well as other consumer loans
- Cost of Risk declined to 38bps in Q1 2015, from 55bps Q1 2014

Segment results

Results improved in all businesses

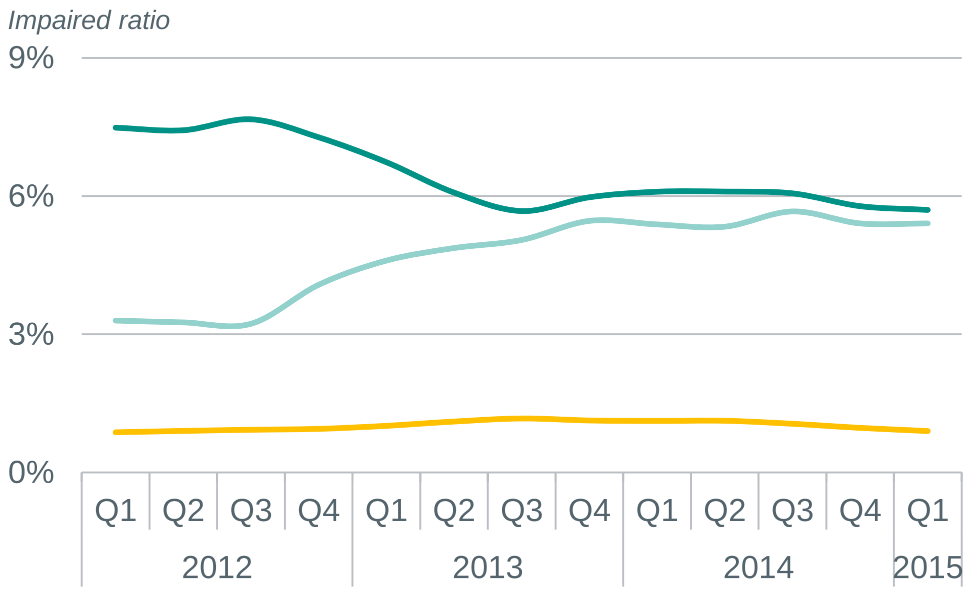




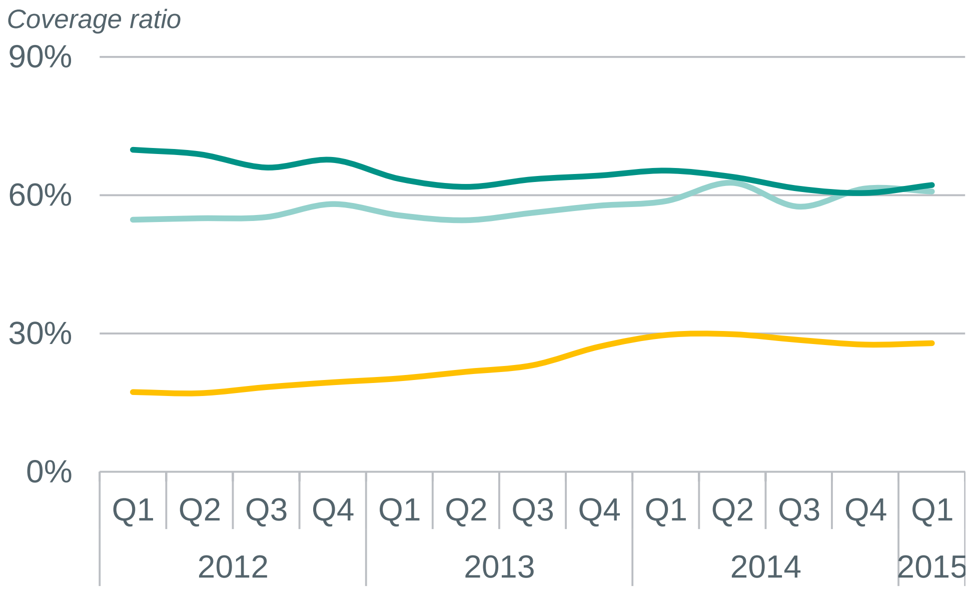
- Retail Banking up 49%, supported by lower impairments as well as higher income
- Private Banking clearly improved its result by 67% due to improved income and lower impairments
- Corporate Banking showed better performance because of higher income

Risk ratios

Dutch economy driving impaired ratios



Coverage ratios stable

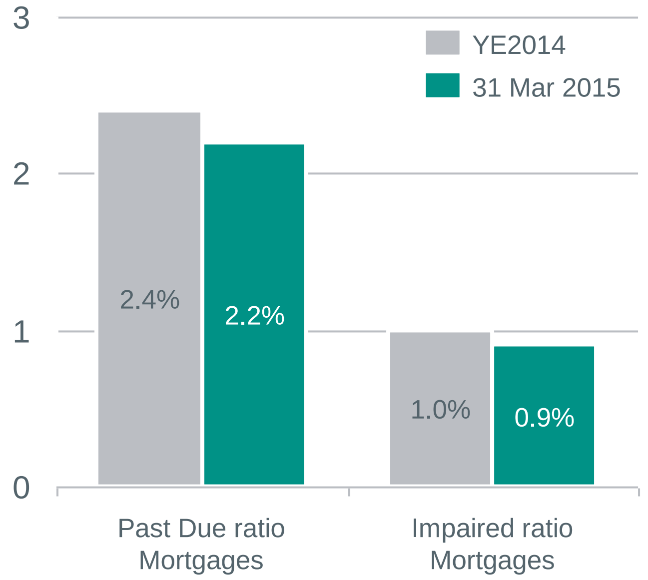


Mortgages Consumer loans Commercial loans

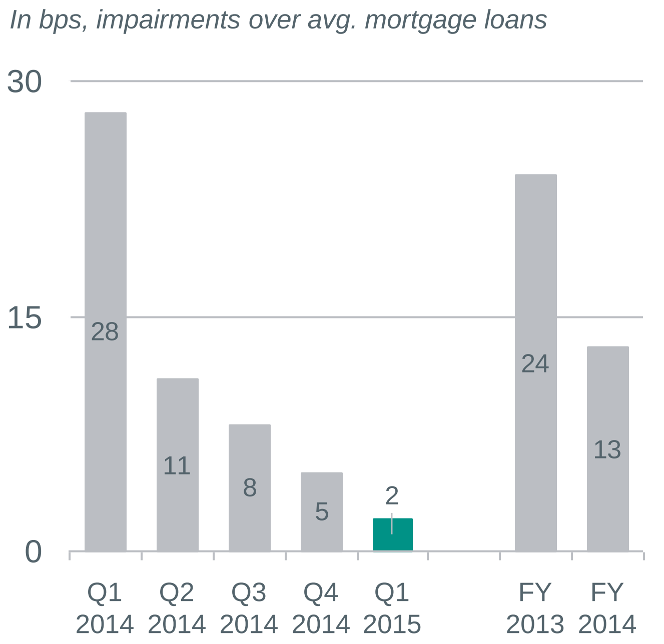
- In Q1 2015 the impaired ratios improved slightly for total customer loan book to 2.8% (2.9% YE2014), due to improved economic conditions and continued active management of portfolio
- Impaired ratios for both mortgages and commercial loans improved while consumer loans remained stable vs. YE2014
- Impaired loans remain adequately covered

Mortgage loans

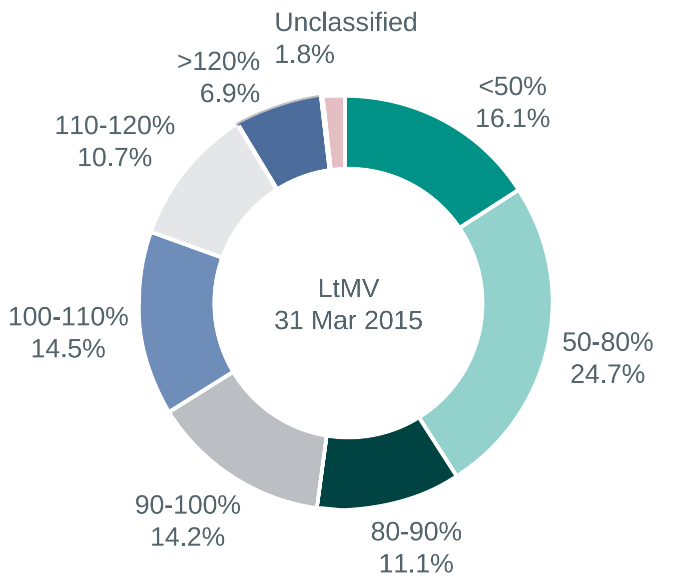
Asset quality ratios improved



Impairments down



Loan to Market Value 82%



Metrics improved due to recovery housing market and continued active management of portfolio

- Past due ratio down to 2.2%
- Impaired ratio down to 0.9%

- Q1 impairments declined to 2bps

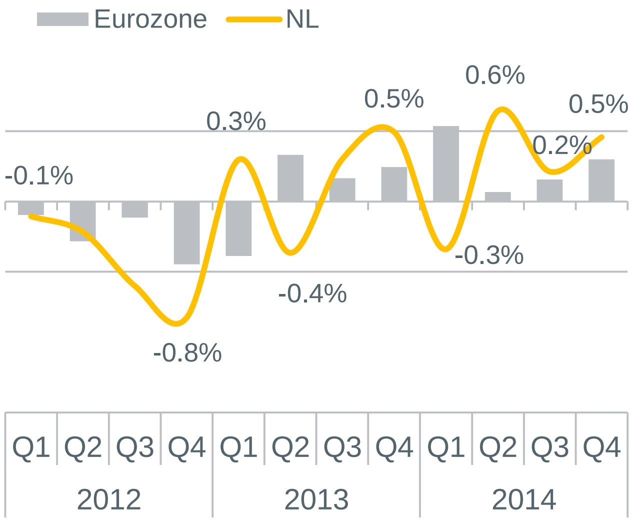
- LtMV at 82%, down from 83% at YE2014
- LtMV at 78% for non-NHG mortgages, 79% YE2014

annex

Dutch economic indicators (1/2)

GDP

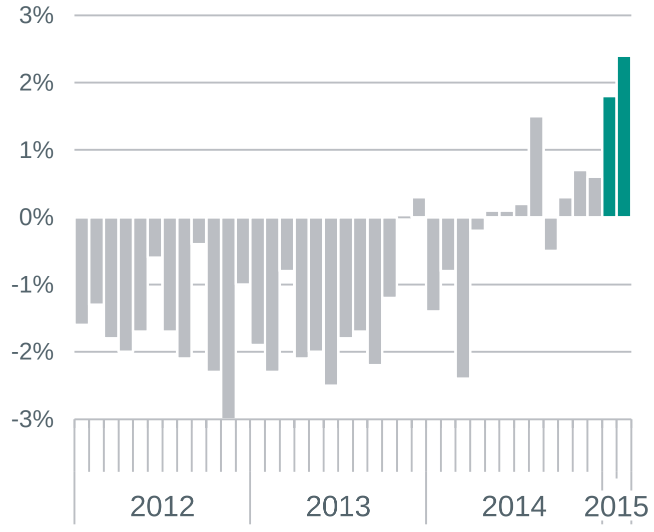
Q-o-Q, source Thomson Reuters Datastream, CBS



- GDP growth is expected to remain on growth path in Q1 2015 based on months Jan and Feb*

Consumer spending

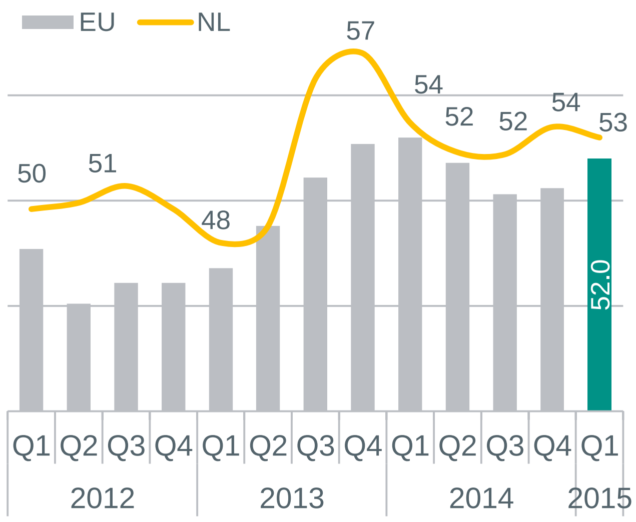
% change compared with same month year ago, CBS



- Consumer spending is clearly picking up
- Feb* was 2.4% higher compared with same month last year

PMI

PMI indices (end of period), source: Markit



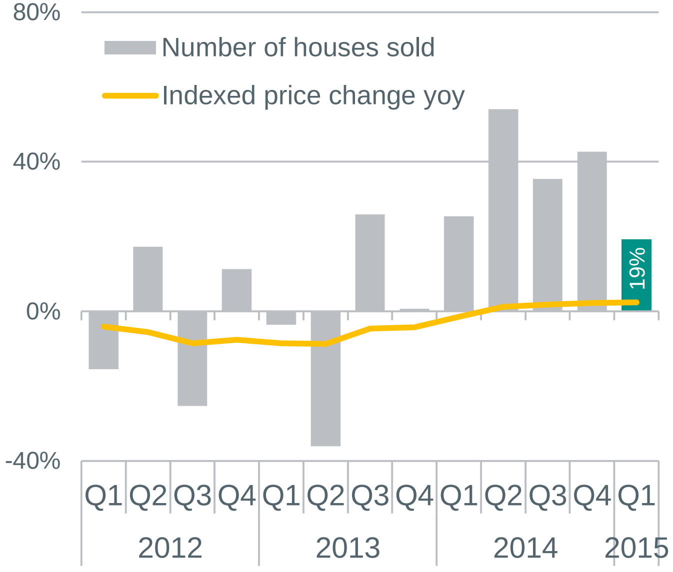
- PMI shows expansion since mid 2013 (>50)

* Latest month available

Dutch economic indicators (2/2)

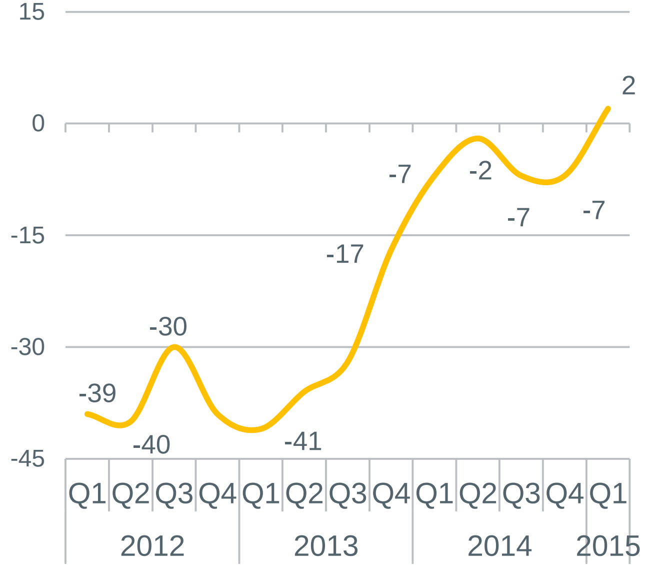
House prices & houses sold

yoy change in avg. price houses sold and no. houses sold, CBS



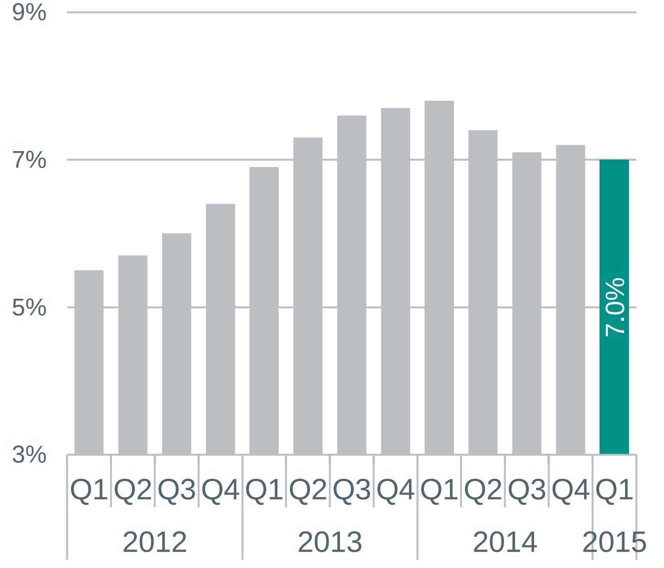
Consumer confidence

The Netherlands, seasonally adjusted confidence (end of period) (average over last 25 years was -9), source CBS



Unemployment

The Netherlands (end of period), source: Statistics Netherlands



Housing market recovered

- Number of houses sold +19% vs. Q1 2014
- Prices up by 2.4% vs. Q1 2014

Dutch consumer confidence

- improved significantly and is well above the 25 year average of -9
- Primarily due to the improved economic climate

- Unemployment improved in Q1 2015
- Primarily due to an increase in number of jobs

Economic forecast

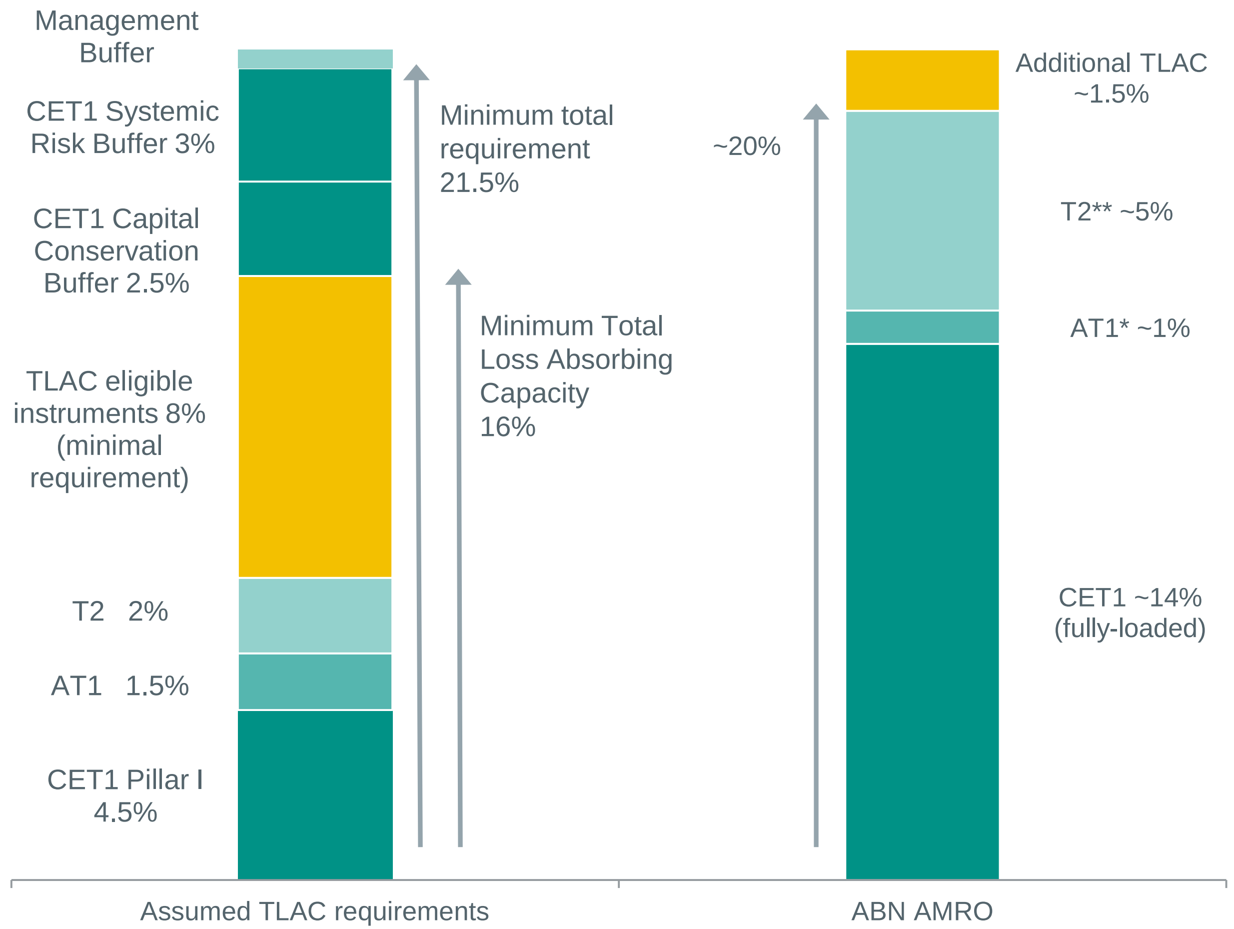
Dutch economy is expected to continue its recovery in 2015

	2012	2013	2014	2015E	2016E
Netherlands					
GDP (% yoy)	-1.6%	-0.7%	0.9%	1.8%	2.3%
Inflation (% yoy)	2.8%	2.6%	0.3%	0.1%	1.6%
Unemployment rate (%)	5.3%	7.3%	7.4%	7.0%	6.6%
Government debt (% GDP)	67%	69%	69%	69%	68%
Eurozone					
GDP (% yoy)	-0.7%	-0.4%	0.9%	1.8%	2.3%
Inflation (% yoy)	2.5%	1.3%	0.5%	0.4%	1.7%
Unemployment rate (%)	11.3%	12.0%	11.6%	11.2%	10.6%
Government debt (% GDP)	89%	91%	92%	92%	91%

- GDP forecasted to continue growing in 2015 to 1.8% from 0.9% in 2014
- Unemployment rate usually responds with a delay but is expected to improve this year
- Low inflation (no deflation) forecasted for 2015, 1.6% forecasted for 2016

Source: Thomson Financial, Economist Intelligence Unit, ABN AMRO Group Economics, May 2015

Strong CET1 gives ABN AMRO good position for TLAC compliance



The Financial Stability Board's TLAC proposals

- TLAC proposals not yet final (expected November 2015)
- ABN AMRO expects the regulator will enforce similar requirements on D-SIB's
- Assuming 8% eligible TLAC instruments, ABN AMRO is well positioned requiring only a limited amount of additional TLAC eligible funding

* EUR 0.7 billion as of Q1 2015, to be replaced as capital recognition is subject to CRR/ CRD IV grandfathering rules

** As of Q1 2015 EUR 5.8 billion Tier-2 securities are CRR/CRD IV compliant and EUR 0.2 billion is subject to grandfathering rules and is to be replaced

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