ABN AMRO Bank N.V.

Quarterly Report

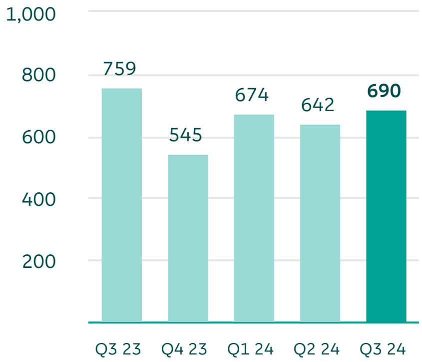
Third quarter 2024

ABN·AMRO

Figures at a glance

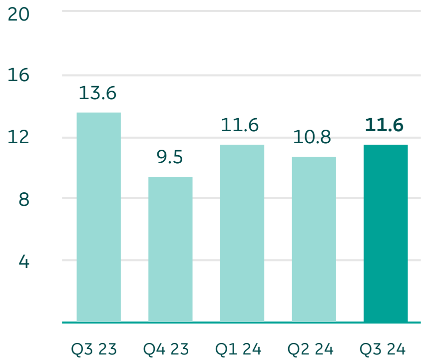
Net profit/(loss)

(in EUR million)



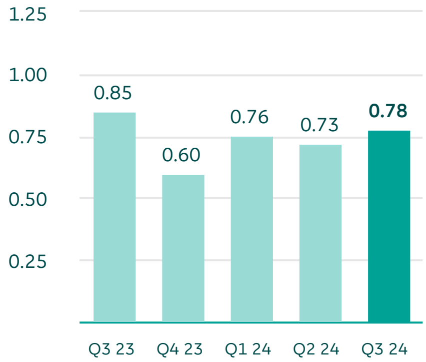
Return on equity

(in %) Target is 9-10%



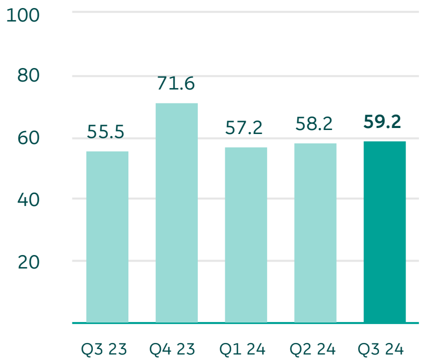
Earnings per share

(in EUR)



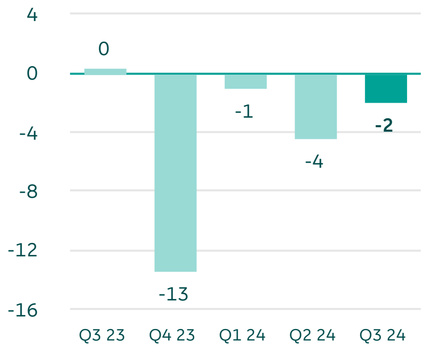
Cost/income ratio

(in %) Target is circa 60%



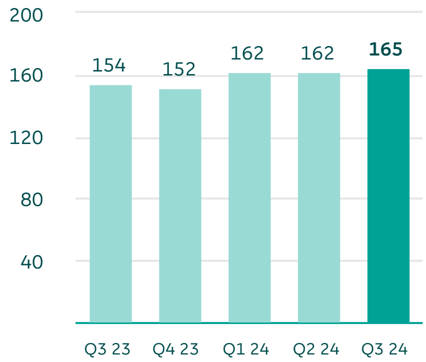
Cost of risk

(in bps)



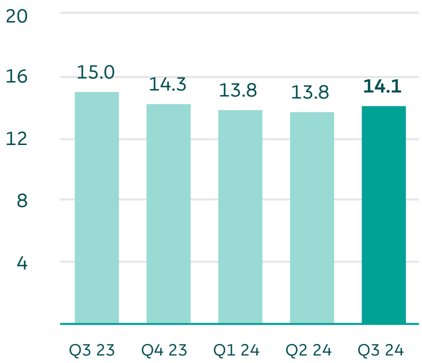
Net interest margin

(in bps)



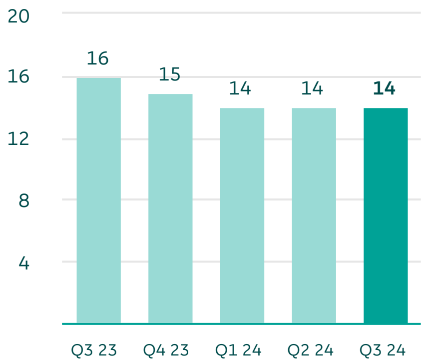
CET1 ratio (Basel III)[1]

(end-of-period, in %)



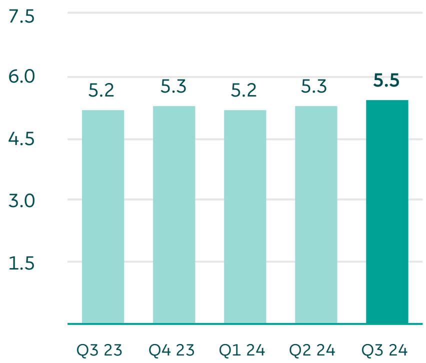
CET1 ratio (Basel IV)[1]

(end-of-period, in %) Target is 13.5%



Leverage ratio (CRR2)[1]

(end-of-period, in %)



1. Capital ratios for Q3 2024 are pro-forma, including 50% of the net profit in line with the existing dividend policy and the practice that was applied until Q2 2024. For more information about the ratios, please refer to the Capital management section.

All targets refer to our strategic targets for 2026.
For more information about net profit, return on equity, earnings per share, cost/income ratio, cost of risk and net interest margin, please refer to the Financial review section.

Message from the CEO

Key messages of the quarter

- **Strong quarterly results:** Net profit of EUR 690 million and 11.6% return on equity, driven by improved net interest income, strong fees and net impairment releases.
- **Continued mortgage portfolio growth:** Supported by an increase in new clients, mortgage book grew by EUR 1.6 billion.
- **Improved net interest income:** Benefitted from better Treasury result driven by the favourable interest rate environment.
- **Fee and commission income increased:** Growth of 6% year-to-date compared with the same period last year, driven by good performance in all client units.
- **Costs remain under control:** Increase in costs as anticipated due to the start of our new collective labour agreement and upscaling of resources.
- **Solid credit quality:** EUR 29 million in net impairment releases, reflecting a low cost of risk.
- **Strong capital position:** Basel III CET1 ratio of 14.1% and Basel IV CET1 ratio of around 14%.
- Assessment of capital position and potential room for share buyback postponed to Q2 2025 results.

Message from the CEO

In the third quarter, ABN AMRO delivered another strong set of results with improved net interest income (NII), increased fee income and net impairment releases. The resilient Dutch economy and thriving housing market continued to benefit our results. The rebound of the Dutch housing market was sustained in the third quarter, driving prices to new record levels. The average house price, as published by Statistics Netherlands, was around 4% higher than in Q2 2024 and around 11% higher than in Q3 2023. Transaction volumes have also continued to rise, with 15% more transactions this quarter compared to last year. Unemployment in the Netherlands is still historically low and the labour market remains tight. Inflation in Europe is continuing its downward trend, which is expected to drive the ECB to further interest rate cuts.

We saw our mortgage book grow by EUR 1.6 billion this quarter and year-to-date we remain market leader in new production. Our focus on the starters' market resulted in an increased client base and a leading market share position in this segment. Our corporate loan book remained stable. In the transition themes new energies, digital and mobility, we continued to see growth in the Netherlands and Northwest Europe.

Our financial results were again strong during the third quarter. Net profit was EUR 690 million, resulting in a return on equity of over 11%. Net interest income increased to EUR 1,638 million, reflecting an improvement in our Treasury result, which benefitted from the favourable interest rate environment. Our fee income was strong, driven by higher payment services fees within Personal & Business Banking, higher asset management fees at Wealth Management and higher transaction volumes at Clearing and Global Markets. Costs were impacted by our new collective labour agreement which became effective as of 1 July and by further upscaling of our resources for data capabilities and regulatory programmes. We still expect full-year costs to be around EUR 5.3 billion.

The resilient macro environment, low unemployment and the high credit quality of our portfolio led to limited inflow of individual impairments. These were offset by the impact of a new model with enhanced data for the mortgage portfolio, resulting overall in another quarter of net impairment releases. Our risk-weighted assets (RWAs) decreased by EUR 2.5 billion, mainly due to business developments and the first effects of data quality improvements. Together with the increase in CET1 capital, this resulted in a Basel III capital ratio of 14.1%. The Basel IV ratio remained around 14%. We are in the process of simplifying our model landscape while at the same time preparing for the upcoming implementation of Basel IV. Implementing these complex regulatory changes is taking longer than anticipated and as they impact our planned Q4 capital assessment, we have decided to postpone this assessment to Q2 2025.

We continue to work on enhancing customer experience and future-proofing our bank. Our clients are able to use a new feature in the ABN AMRO app to instantly verify whether an incoming call is genuinely from a bank employee. BUX announced a cooperation with PrimaryBid and Euronext, enabling our clients to participate in IPOs and other regulated fundraises, including deals previously reserved for institutional investors. This quarter, we were recognised by several external parties for our continued client focus and customer experience. Independent parties awarded us for our active client management and product offering in mortgages. Our ABN AMRO ODDO BHF joint venture was voted Best Benelux Broker in the 2024 European Ranking for the third year in a row. Our efforts in cyber security were recognised in our BitSight score, where ABN AMRO remains the industry leader in the Netherlands, with higher security ratings than its peers.

We remain focused on fulfilling our role in society, supporting our clients in the transition to a sustainable economy, with expertise on new business models and technology. In the last quarter we announced the financing of the construction of two large-scale biomethane plants in the Netherlands. This is also in line with the aim of the new Dutch government to increase innovative private financing for the climate and energy transition by a ‘green financial sector’. As part of ABN AMRO’s climate strategy, we are investing a total of EUR 1 billion in early-stage capital through direct equity investments, fund investments and hybrid capital investments.

This quarter, our Sustainable Impact Fund invested in Blume Equity, a female founded and managed climate-tech growth investor, which is in line with our commitment to support female entrepreneurship. We also continue to invest in sustainability expertise. Together with the University of Amsterdam, we have launched a new Wealth Management training programme to ensure our employees continue to support our clients in the sustainability transition.

I am delighted that Serena Fioravanti joined us as CRO as of 1 October. I am confident that, with almost 25 years of experience in the banking sector and a highly relevant risk management track record, she will be successful in this role. I would like to thank Caroline Oosterloo-van 't Hoff for filling in the interim CRO position and I am looking forward to continue working with her as a senior leader in the risk organisation.

As always I would like to thank our clients for putting their trust in us while we continue to focus on being their preferred partner. And finally a continued recognition of the commitment and passion of all of our colleagues, enabling us to consistently execute our strategy.

Robert Swaak
CEO of ABN AMRO Bank N.V.

Financial review

This financial review includes a discussion and analysis of the results and sets out the financial position of ABN AMRO.

Results

Operating results

(in millions)	Q3 2024	Q3 2023	Change	Q2 2024	Change	Nine months 2024	Nine months 2023	Change
Net interest income	1,638	1,533	7%	1,608	2%	4,836	4,775	1%
Net fee and commission income	478	442	8%	462	3%	1,410	1,330	6%
Other operating income	137	237	-42%	100	36%	376	472	-20%
Operating income	**2,253**	**2,211**	**2%**	**2,171**	**4%**	**6,621**	**6,577**	**1%**
Personnel expenses	718	627	14%	659	9%	2,033	1,845	10%
Other expenses	616	601	2%	604	2%	1,820	1,926	-5%
Operating expenses	**1,334**	**1,228**	**9%**	**1,263**	**6%**	**3,853**	**3,771**	**2%**
Operating result	**920**	**983**	**-6%**	**908**	**1%**	**2,768**	**2,806**	**-1%**
Impairment charges on financial instruments	-29	-21	-35%	-4		-30	-76	61%
Profit/(loss) before taxation	**948**	**1,004**	**-6%**	**912**	**4%**	**2,797**	**2,881**	**-3%**
Income tax expense	259	246	5%	271	-4%	792	730	9%
Profit/(loss) for the period	**690**	**759**	**-9%**	**642**	**7%**	**2,005**	**2,151**	**-7%**
Attributable to:								
Owners of the parent company	690	759	-9%	642	7%	2,005	2,151	-7%
Other indicators								
Net interest margin (NIM) (in bps)	165	154		162		163	159	
Cost/income ratio	59.2%	55.5%		58.2%		58.2%	57.3%	
Cost of risk (in bps)[1]	-2			-4		-2	-2	
Return on average equity[2]	11.6%	13.6%		10.8%		11.3%	13.1%	
Earnings per share (in EUR)[3, 4]	0.78	0.85		0.73		2.26	2.38	
Client assets (end of period, in billions)	342.6	309.0		358.1				
Risk-weighted assets (end of period, in billions)	143.8	136.6		146.3				
Number of internal employees (end of period, in FTEs)	21,542	20,513		21,047				
Number of external employees (end of period, in FTEs)	3,876	4,231		3,945				

1. Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding fair value adjustments from hedge accounting.
2. Annualised profit/(loss) for the period, excluding payments attributable to AT1 capital securities and results attributable to non-controlling interests, divided by the average equity attributable to the owners of the company excluding AT1 capital securities.
3. Profit/(loss) for the period, excluding payments attributable to AT1 capital securities and results attributable to non-controlling interests, divided by the average outstanding and paid-up ordinary shares.
4. For Q3 2024, the average number of outstanding shares amounted to 833,048,566 (Q2 2024: 835,811,973; Q3 2023: 865,575,379). For the first three quarters 2024, the average number of outstanding shares amounted to 843,045,306 (first three quarters 2023: 873,496,170).

Large incidentals

Q2 2024
Held for sale adjustment
In Q2 2024, the carrying value of assets held for sale was impaired to reflect their fair value less costs to sell. This resulted in an impairment of EUR 24 million (including disposal cost) recorded in share of result in equity accounted investments, which is included in other operating income within Wealth Management.

Third quarter 2024 results

Net interest income (NII) amounted to EUR 1,638 million in Q3 2024 (EUR 1,533 million in Q3 2023). The increase of EUR 105 million was attributable to improved Treasury results within Group Functions and better performance by Clearing and Global Markets within Corporate Banking.

The net interest margin (NIM) increased by 11bps year-on-year, reaching 165bps in Q3 2024 compared to 154bps in Q3 2023. NIM was boosted by interest income growth, which was significantly higher than the average assets growth.

In comparison with Q2 2024 (EUR 1,608 million), net interest income increased by EUR 30 million mainly due to improved Treasury results within Group Functions, mostly related to investments benefiting from the higher interest rate environment. In this quarter, the allocations from Treasury to client units were reassessed (with nil impact on the group).

Net fee and commission income amounted to EUR 478 million in Q3 2024 (Q3 2023: EUR 442 million). The increase of EUR 36 million was mainly attributable to higher asset management fees at Wealth Management, as positive market developments during 2024 pushed up assets under management and related fees. Higher transaction volumes at Clearing resulting from increased market volatility also contributed significantly to this growth.

Compared with Q2 2024 (EUR 462 million), net fee and commission income increased by EUR 16 million, with all client units contributing to better performance. Personal & Business Banking was the largest contributor to the increase, reflecting higher payment services fees due to higher transaction volumes in the summer holiday season.

Other operating income decreased by EUR 100 million year-on-year, totalling EUR 137 million in Q3 2024 (Q3 2023: EUR 237 million). The decrease mostly reflects stronger one-off gains in Q3 2023, lower CVA/DVA/FVA[1] results and lower assets and liability management results at Treasury. The same quarter last year included the gain on the sale of an associate company and the sale and leaseback of an office building, partly offset by higher derecognition results on the sale of some exposures.

Compared with Q2 2024, other operating income increased by EUR 37 million. Excluding large incidentals, other operating income increased by EUR 13 million quarter-on-quarter, driven by higher derecognition results at Corporate Banking and higher fair value revaluations on loans at Personal & Business Banking, partly offset by lower results on equity participations and less favourable CVA/DVA/FVA.

Personnel expenses amounted to EUR 718 million in Q3 2024 (Q3 2023: EUR 627 million). The increase of EUR 91 million mostly reflects the impact of the collective labour agreement (CLA) and, to a lesser extent, an increase in FTEs. This quarter, the new CLA resulted in higher wages and a catch-up accrual for the reward premium for the first nine months of 2024.

In comparison with Q2 2024 (EUR 659 million), personnel expenses increased by EUR 59 million due to the impact of the new CLA and an increase in FTEs.

Internal FTEs increased to 21,542 in Q3 2024 from 20,513 in Q3 2023, a rise of 1,029 FTEs, with the largest increase in Group Functions. In Group Functions, the rise is attributable to FTEs working on our IT, data and regulatory programmes. Compared to Q2 2024 (21,047 FTEs), internal FTEs increased by 495, reflecting the same drivers.

[1] Credit Valuation Adjustment/Debit Valuation Adjustment/Funding Valuation Adjustment (CVA/DVA/FVA).

Other expenses amounted to EUR 616 million in Q3 2024 (Q3 2023: EUR 601 million), an increase of EUR 15 million. Excluding regulatory levies, other expenses increased by EUR 45 million mainly due to higher expenses for IT, marketing and external staffing.

Compared with Q2 2024 (EUR 604 million), other expenses increased by EUR 12 million due to higher expenses for external staffing.

External FTEs decreased to 3,876 in Q3 2024 from 4,231 in Q3 2023, a reduction of 355 FTEs mainly in Group Functions, partly reflecting the finalisation of several regulatory control activities. Compared to Q2 2024 (3,945), external FTEs decreased slightly by 69, spread across all segments.

Impairment charges showed a net release of EUR 29 million in Q3 2024 (Q3 2023: EUR 21 million release). Impairment releases were recorded mainly for residential mortgages and were largely attributable to IFRS 9 model refinements for residential mortgages, including enhanced and updated data. Furthermore, a revision of the IFRS management overlay framework for mortgages resulted in additional releases.

These developments were partly offset by higher impairment charges in corporate loans, with additions in both individual and modelled provisions.

Income tax expenses amounted to EUR 259 million in Q3 2024 (Q3 2023: EUR 246 million). Profit before tax was EUR 948 million, resulting in an effective tax rate of 27.3%, which is higher than the Dutch corporate income tax rate of 25.8%. The difference is largely explained by non-deductible interest due to the Dutch “thin capitalisation” rules for banks.

Profit attributable to owners of the parent company amounted to EUR 690 million in Q3 2024 (Q3 2023: EUR 759 million). After deducting AT1 coupons, profit was EUR 651 million in Q3 2024 compared to EUR 736 million in Q3 2023.

Risk weighted assets (RWA) came down by EUR 2.5 billion to EUR 143.8 billion as at 30 September 2024 (30 June 2024: EUR 146.3 billion). The decline was largely driven by a decrease in credit risk RWA due to business developments in Corporate Banking, followed by data quality improvements. Market risk RWA decreased as well.

Balance sheet

Condensed consolidated statement of financial position

(in millions)	30 September 2024	30 June 2024	31 December 2023
Cash and balances at central banks	31,652	38,085	53,656
Financial assets held for trading	3,095	2,109	1,371
Derivatives	4,303	4,576	4,403
Financial investments	53,094	50,326	41,501
Securities financing	39,049	34,993	21,503
Loans and advances banks	2,683	3,279	2,324
Loans and advances customers	259,603	251,513	245,935
Other	10,292	8,522	7,218
Total assets	**403,771**	**393,404**	**377,909**
Financial liabilities held for trading	2,080	1,410	917
Derivatives	2,680	2,628	2,856
Securities financing	20,264	18,523	11,710
Due to banks	5,408	5,286	5,352
Due to customers	262,712	260,826	254,466
Issued debt	71,332	67,241	66,227
Subordinated liabilities	6,383	5,608	5,572
Other	7,100	6,887	6,641
Total liabilities	**377,961**	**368,408**	**353,741**
Equity attributable to the owners of the parent company	25,807	24,993	24,165
Equity attributable to non-controlling interests	3	3	3
Total equity	**25,810**	**24,995**	**24,168**
Total liabilities and equity	**403,771**	**393,404**	**377,909**
Committed credit facilities	49,233	50,927	53,968
Guarantees and other commitments	6,786	6,801	6,289

Main developments in total assets compared with 30 June 2024

Total assets increased by EUR 10.4 billion to EUR 403.8 billion. The increase was primarily driven by higher loans and advances to customers and securities financing assets, partially offset by a decline in cash and balances at central banks.

Cash and balances at central banks decreased by EUR 6.4 billion to EUR 31.7 billion. This decline was mainly driven by business growth and cash NII optimisation by Treasury.

Financial investments increased by EUR 2.8 billion to EUR 53.1 billion. The largest driver for this increase was corporate debt securities, which rose by EUR 1.8 billion. Government bonds also contributed significantly with an increase of EUR 1.1 billion.

Securities financing assets increased by EUR 4.1 billion to EUR 39.0 billion. The largest driver for this increase was securities financing via reverse repurchase agreements, which rose by EUR 5.9 billion. This was partly offset by a decrease in securities borrowing transactions by EUR 1.9 billion.

Loans and advances customers increased by EUR 8.1 billion to EUR 259.6 billion. This increase was mainly driven by professional lending, which saw a substantial increase of EUR 4.8 billion, and client lending, which rose by EUR 1.5 billion. Furthermore, fair value adjustments became EUR 1.8 billion less negative due to a shift in interest rates.

Client loans increased by EUR 1.5 billion to EUR 241.7 billion. The primary drivers behind this increase were residential mortgages, which rose by EUR 1.6 billion.

Loans to professional counterparties and other loans increased by EUR 4.8 billion to EUR 24.2 billion. This increase was mainly driven by higher lending volumes at Clearing.

Loans and advances customers

(in millions)	30 September 2024	30 June 2024	31 December 2023
Residential mortgages	155,088	153,485	151,078
Consumer loans	8,432	8,564	9,028
Corporate loans to clients[1]	78,218	78,231	77,211
- of which Personal & Business Banking	*8,094*	*8,154*	*8,369*
- of which Corporate Banking	*64,332*	*64,171*	*62,807*
Total client loans[2]	**241,737**	**240,281**	**237,317**
Loans to professional counterparties and other loans[2, 3]	24,221	19,379	16,129
Total loans and advances customers, gross[2]	**265,958**	**259,660**	**253,446**
Fair value adjustments from hedge accounting	-4,860	-6,646	-5,909
Total loans and advances customers, gross	**261,099**	**253,015**	**247,536**
Less: Loan impairment allowances	1,495	1,502	1,602
Total loans and advances customers	**259,603**	**251,513**	**245,935**

1. Corporate loans excluding loans to professional counterparties.
2. Excluding fair value adjustment from hedge accounting.
3. Loans to professional counterparties and other loans includes loans and advances to governments, official institutions and financial markets parties.

Main developments in total liabilities and equity compared with 30 June 2024

Total liabilities increased by EUR 9.6 billion to EUR 378.0 billion. This rise was primarily driven by an increase in issued debt securities and due to customers.

Securities financing liabilities increased by EUR 1.7 billion to EUR 20.3 billion. The largest driver for this increase was repurchase agreements, which rose by EUR 1.3 billion. Security lending transactions also contributed to the increase, rising by EUR 0.5 billion.

Due to customers increased by EUR 1.9 billion to EUR 262.7 billion. Total client deposits saw an increase of EUR 0.3 billion. Total professional deposits increased by EUR 1.6 billion.

Client deposits were broadly stable, amounting to EUR 224.5 billion.

Professional deposits increased by EUR 1.6 billion to EUR 38.2 billion, primarily driven by Clearing. The two largest drivers for this increase were current accounts, which rose by EUR 2.0 billion, and other financial liabilities, which decreased by EUR 0.4 billion.

Issued debt increased by EUR 4.1 billion to EUR 71.3 billion, mainly due to a EUR 3.8 billion increase in long-term funding. As at 30 September 2024, issued debt included EUR 23.8 billion in covered bonds, EUR 13.4 billion in senior preferred funding, EUR 17.2 billion in senior non-preferred funding and EUR 16.9 billion in commercial paper and certificates of deposit. EUR 8.2 billion in outstanding long-term funding and EUR 16.9 billion in outstanding short-term funding matures within 12 months.

Total equity increased by EUR 0.8 billion to EUR 25.8 billion. This increase was primarily driven by the inclusion of the profit for the quarter, which amounted to EUR 0.7 billion, and the issuance of EUR 750 million in additional tier 1 capital instruments. These positive impacts were partially offset by decreases resulting from paid dividends and paid interest on AT1 capital securities.

Equity attributable to owners of the parent company, excluding AT1 securities of EUR 3.5 billion, amounted to EUR 22.3 billion. This reflects an outstanding share count of 833,048,566 and a book value per share of EUR 26.81 (compared to EUR 26.72 in the previous quarter).

Due to customers

(in millions)	30 September 2024	30 June 2024	31 December 2023
Client deposits			
Current accounts	81,034	81,141	91,612
Demand deposits	103,580	103,350	100,943
Time deposits	39,788	39,596	36,364
Other client deposits	92	103	96
Total Client deposits	**224,495**	**224,190**	**229,016**
Professional deposits			
Current accounts	11,045	9,090	8,336
Time deposits	25,467	25,424	15,364
Other professional deposits	1,705	2,122	1,750
Total Professional deposits	**38,217**	**36,635**	**25,450**
Due to customers	**262,712**	**260,826**	**254,466**

Results by segment

Personal & Business Banking

Highlights

- Net interest income decreased compared to the previous quarter. This decrease reflects lower allocations from Treasury in Group Functions partly offset by a small release related to the provision for revolving consumer credits.
- Our market share of new production in residential mortgages was 19% in Q3 2024 (Q3 2023: 17%[1] and Q2 2024: 20%), reflecting our strong execution in a competitive market.
- Net fee and commission income increased compared with Q2 2024 due to higher payment services fees as a result of higher transaction volumes in the summer holiday season.
- Other operating income decreased compared with Q3 2023, which included gains on the sale of an associate company.
- Operating expenses amounted to EUR 594 million in Q3 2024 and decreased in comparison with Q3 2023, reflecting lower regulatory levies and lower charges from Group Functions. This was partially offset by higher personnel expenses due to the new CLA as of 1 July 2024.
- Impairment charges showed a release of EUR 53 million, mostly due to IFRS 9 model refinements for residential mortgages (including improved and updated data) and a revision of the IFRS management overlay framework for mortgages.

1 Note that our data source for new mortgage production and market share changed from Land Registry (Kadaster) to Hypotheken Data Netwerk (HDN) from Q1 2024. Comparative figures have been adjusted accordingly.

Operating results

(in millions)	Q3 2024	Q3 2023	Change	Q2 2024	Change	Nine months 2024	Nine months 2023	Change
Net interest income	824	819	1%	833	-1%	2,462	2,473	
Net fee and commission income	155	150	4%	143	9%	445	412	8%
Other operating income	26	42	-37%	6		46	70	-34%
Operating income	**1,005**	**1,010**		**981**	**2%**	**2,953**	**2,955**	
Personnel expenses	131	119	10%	117	12%	378	349	8%
Other expenses	463	509	-9%	451	3%	1,381	1,502	-8%
Operating expenses	**594**	**628**	**-5%**	**568**	**5%**	**1,758**	**1,851**	**-5%**
Operating result	**412**	**383**	**8%**	**413**		**1,195**	**1,103**	**8%**
Impairment charges on financial instruments	-53	7		-36	-47%	-92	-48	-94%
Profit/(loss) before taxation	**465**	**375**	**24%**	**449**	**3%**	**1,287**	**1,151**	**12%**
Income tax expense	118	87	37%	116	2%	331	284	17%
Profit/(loss) for the period	**346**	**289**	**20%**	**333**	**4%**	**956**	**866**	**10%**
Cost/income ratio	59.1%	62.1%		57.9%		59.5%	62.7%	
Cost of risk (in bps)[1]	-13	3		-9		-7	-3	
Other indicators								
Loans and advances customers (end of period, in billions)	160.4	157.6		158.9				
- of which Client loans (end of period, in billions)[2]	*160.7*	*158.1*		*159.3*				
Due to customers (end of period, in billions)	124.6	122.9		126.3				
Risk-weighted assets (end of period, in billions)	38.3	39.5		37.9				
Number of internal employees (end of period, in FTEs)	4,380	4,485		4,374				
Total client assets (end of period, in billions)	104.6	100.9		106.0				
- of which Cash	*92.4*	*90.1*		*93.9*				
- of which Securities	*12.2*	*10.9*		*12.2*				

1. Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding fair value adjustments from hedge accounting.
2. Gross carrying amount excluding fair value adjustment from hedge accounting.

Wealth Management

Highlights

- Net interest income in Q3 2024 decreased in comparison with the previous quarter, mainly due to lower allocations from Treasury in Group Functions and a release of part of the Euribor provision in Q2 2024.
- Net fee and commission income grew by EUR 16 million compared with Q3 2023, as asset management fees rose on the back of positive market developments.
- Operating expenses increased compared with Q3 2023, mainly due to higher charges from Group Functions, higher personnel expenses due to the new CLA and an FTE increase, and higher external staffing expenses.
- Client assets decreased by EUR 14.1 billion compared with Q2 2024, reflecting the outflow of mostly short-term custody assets. In this quarter, the completion of our acquisition of BUX resulted in a small inflow of related client assets into our Group portfolio.

Operating results

(in millions)	**Q3 2024**	Q3 2023	Change	Q2 2024	Change	**Nine months 2024**	Nine months 2023	Change
Net interest income	228	235	-3%	244	-6%	710	749	-5%
Net fee and commission income	159	143	11%	156	2%	471	439	7%
Other operating income		11	-98%	-16		-9	23	
Operating income	**387**	**389**	**-1%**	**384**	**1%**	**1,172**	**1,210**	**-3%**
Personnel expenses	110	103	7%	108	2%	321	305	5%
Other expenses	167	151	11%	156	7%	480	451	7%
Operating expenses	**277**	**254**	**9%**	**264**	**5%**	**801**	**756**	**6%**
Operating result	**110**	**135**	**-19%**	**121**	**-9%**	**371**	**455**	**-18%**
Impairment charges on financial instruments	1		70%	5	-85%	11	-12	
Profit/(loss) before taxation	**109**	**135**	**-19%**	**115**	**-5%**	**359**	**467**	**-23%**
Income tax expense	31	37	-16%	38	-17%	106	123	-14%
Profit/(loss) for the period	**78**	**98**	**-20%**	**78**		**253**	**344**	**-26%**
Cost/income ratio	71.5%	65.2%		68.6%		68.4%	62.4%	
Cost of risk (in bps)[1]	2	2		12		10	-9	
Other indicators								
Loans and advances customers (end of period, in billions)	16.1	16.6		16.2				
- of which Client loans (end of period, in billions)[2]	*16.2*	*16.7*		*16.4*				
Due to customers (end of period, in billions)	64.0	64.5		64.4				
Risk-weighted assets (end of period, in billions)	12.6	10.9		12.9				
Number of internal employees (end of period, in FTEs)	3,133	2,890		2,975				
Total client assets (end of period, in billions)	238.0	208.0		252.1				
- of which Cash	*64.2*	*64.5*		*64.3*				
- of which Securities	*173.8*	*143.5*		*187.8*				
Net new assets (for the period, in billions)	-18.7	1.9		13.2		14.2	1.4	

1. Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding fair value adjustments from hedge accounting.
2. Gross carrying amount excluding fair value adjustment from hedge accounting.

Corporate Banking

Highlights

- Net interest income decreased compared with the previous quarter, mainly due to lower allocations from Treasury in Group Functions, and lower volumes and margins for liabilities.
- Net fee and commission income increased compared with Q3 2023, largely due to higher trading volumes at Clearing resulting from higher market volatility.
- Other income showed an increase compared with the previous quarter. Results reflect stronger derecognition gains partly offset by lower equity participations results.
- Operating expenses increased compared with Q3 2023, due to higher charges from Group Functions, and higher personnel expenses resulting from the new CLA and more FTEs, followed by higher external staffing costs.

Operating results

(in millions)	**Q3 2024**	Q3 2023	Change	Q2 2024	Change	**Nine months 2024**	Nine months 2023	Change
Net interest income	544	520	5%	601	-10%	1,742	1,621	7%
Net fee and commission income	170	156	9%	167	2%	511	503	2%
Other operating income	97	146	-33%	79	23%	284	386	-26%
Operating income	**811**	**822**	**-1%**	**848**	**-4%**	**2,537**	**2,510**	**1%**
Personnel expenses	162	148	10%	153	6%	461	434	6%
Other expenses	272	244	11%	260	5%	792	757	5%
Operating expenses	**434**	**392**	**11%**	**413**	**5%**	**1,253**	**1,191**	**5%**
Operating result	**377**	**430**	**-12%**	**434**	**-13%**	**1,283**	**1,319**	**-3%**
Impairment charges on financial instruments	25	-29		27	-8%	53	-16	
Profit/(loss) before taxation	**352**	**458**	**-23%**	**407**	**-14%**	**1,231**	**1,335**	**-8%**
Income tax expense	88	111	-21%	100	-12%	309	314	-2%
Profit/(loss) for the period	**265**	**347**	**-24%**	**307**	**-14%**	**922**	**1,021**	**-10%**
Cost/income ratio	53.5%	47.7%		48.8%		49.4%	47.4%	
Cost of risk (in bps)[1]	19	-4				5	2	
Other indicators								
Loans and advances customers (end of period, in billions)	87.5	81.7		82.7				
- of which Client loans (end of period, in billions)[2]	*64.8*	*65.6*		*64.6*				
Due to customers (end of period, in billions)	57.5	57.3		54.1				
- of which Client deposits (end of period, in billions)	*35.9*	*36.3*		*33.6*				
- of which Professional deposits (end of period, in billions)	*21.6*	*21.0*		*20.5*				
Risk-weighted assets (end of period, in billions)	89.7	75.5		91.9				
Number of internal employees (end of period, in FTEs)	3,918	3,781		3,836				

1. Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding fair value adjustments from hedge accounting.
2. Gross carrying amount excluding fair value adjustment from hedge accounting.

Group Functions

Highlights

- Net interest income improved compared with Q2 2024, mainly due to lower allocations to client units (with nil impact for the group) and an improvement of underlying Treasury results mostly related to investments benefiting from the higher interest rate environment.
- Other operating income decreased compared with Q3 2023, mainly due to lower asset and liability management results at Treasury this quarter and gains from the sale and leaseback of an office building in Q3 2023.
- Personnel expenses increased compared with Q3 2023, mainly due to the new CLA this quarter and a significant rise in internal FTEs. The majority of these additional internal FTEs are working on our IT, data and regulatory priorities.
- Loans and advances to customers amounted to EUR 4.4 billion negative, an increase compared with Q2 2024, mainly due to lower long-term interest rates, which positively impacted fair value adjustments for hedge accounting.

Operating results

(in millions)	Q3 2024	Q3 2023	Change	Q2 2024	Change	Nine months 2024	Nine months 2023	Change
Net interest income	42	-41		-69		-78	-68	-15%
Net fee and commission income	-6	-8	22%	-4	-47%	-17	-24	28%
Other operating income	13	39	-65%	31	-57%	54	-7	
Operating income	**49**	**-10**		**-42**		**-41**	**-98**	**58%**
Personnel expenses	315	258	22%	281	12%	873	757	15%
Other expenses	-286	-303	6%	-263	-9%	-832	-784	-6%
Operating expenses	**29**	**-45**		**18**	**61%**	**40**	**-27**	
Operating result	**21**	**35**	**-41%**	**-60**		**-82**	**-71**	**-14%**
Impairment charges on financial instruments	-1					-2		
Profit/(loss) before taxation	**22**	**36**	**-38%**	**-60**		**-80**	**-71**	**-12%**
Income tax expense	21	11	93%	17	29%	46	8	
Profit/(loss) for the period	**1**	**25**	**-98%**	**-76**		**-126**	**-80**	**-57%**
Other indicators								
Securities financing - assets (end of period, in billions)	28.7	24.0		24.1				
Loans and advances customers (end of period, in billions)[1]	-4.4	-8.4		-6.3				
Securities financing - liabilities (end of period, in billions)	19.5	20.4		18.0				
Due to customers (end of period, in billions)	16.6	16.3		16.2				
Risk-weighted assets (end of period, in billions)	3.3	10.7		3.6				
Number of internal employees (end of period, in FTEs)	10,112	9,357		9,862				

1. Including fair value hedges (30 September 2024: EUR 5.0 billion negative; 30 September 2023: EUR 9.4 billion negative; 30 June 2024: EUR 6.7 billion negative).

Additional financial information

Selected financial information

Condensed consolidated income statement

(in millions)	Q3 2024	Q3 2023	Q2 2024	Nine months 2024	Nine months 2023
Income					
Interest income calculated using the effective interest method	4,146	4,169	4,357	12,810	11,458
Other interest and similar income	76	79	87	269	237
Interest expense calculated using the effective interest method	2,565	2,690	2,816	8,188	6,863
Other interest and similar expense	18	25	20	56	58
Net interest income	**1,638**	**1,533**	**1,608**	**4,836**	**4,775**
Fee and commission income	608	566	592	1,803	1,700
Fee and commission expense	129	124	130	393	370
Net fee and commission income	**478**	**442**	**462**	**1,410**	**1,330**
Income from other operating activities	89	164	75	287	333
Expenses from other operating activities	22	27	22	63	83
Net income from other operating activities	**67**	**137**	**54**	**223**	**249**
Net trading income	43	94	88	204	196
Share of result of equity-accounted investments	4	6	-11	-30	34
Net gains/(losses) on derecognition of financial assets measured at amortised cost	23	1	-30	-21	-7
Operating income	**2,253**	**2,211**	**2,171**	**6,621**	**6,577**
Expenses					
Personnel expenses	718	627	659	2,033	1,845
General and administrative expenses	577	559	564	1,701	1,799
Depreciation, amortisation and impairment losses of tangible and intangible assets	39	42	40	119	128
Operating expenses	**1,334**	**1,228**	**1,263**	**3,853**	**3,771**
Impairment charges on financial instruments	-29	-21	-4	-30	-76
Total expenses	**1,305**	**1,207**	**1,259**	**3,824**	**3,695**
Profit/(loss) before taxation	**948**	**1,004**	**912**	**2,797**	**2,881**
Income tax expense	259	246	271	792	730
Profit/(loss) for the period	**690**	**759**	**642**	**2,005**	**2,151**
Attributable to:					
Owners of the parent company	690	759	642	2,005	2,151

Condensed consolidated statement of comprehensive income

(in millions)	Q3 2024	Q3 2023	Q2 2024
Profit/(loss) for the period	**690**	**759**	**642**
Other comprehensive income:			
Items that will not be reclassified to the income statement			
Remeasurement gains/(losses) on defined benefit plans	-1		
Gains/(losses) on liability own credit risk		1	
Items that will not be reclassified to the income statement before taxation	**-1**	**1**	
Income tax relating to items that will not be reclassified to the income statement			
Items that will not be reclassified to the income statement after taxation		**1**	
Items that may be reclassified to the income statement			
Net gains/(losses) currency translation reserve	-45	34	-3
Less: Reclassification currency translation reserve through the income statement		3	
Net gains/(losses) currency translation reserve through OCI	-45	31	-3
Net gains/(losses) fair value reserve through OCI	-121	-97	-38
Net gains/(losses) cash flow hedge reserve	71	537	149
Less: Reclassification cash flow hedge reserve through the income statement	-48	-40	-50
Net gains/(losses) cash flow hedge reserve through OCI	119	577	199
Share of other comprehensive income of associates	3	-1	-1
Items that may be reclassified to the income statement before taxation	**-44**	**509**	**157**
Income tax relating to items that may be reclassified to the income statement		124	42
Items that may be reclassified to the income statement after taxation	**-44**	**385**	**115**
Total comprehensive income/(expense) for the period after taxation	**645**	**1,144**	**757**
Attributable to:			
Owners of the parent company	645	1,144	757

Condensed consolidated statement of changes in equity

(in millions)	Share capital	Share premium	Other reserves including retained earnings	Accumulated other comprehensive income	Net profit/ (loss) attributable to owners of the parent company	AT1 capital securities	Equity attributable to the owners of the parent company	Non-controlling interests	Total equity
Balance at 1 July 2023	**898**	**12,529**	**6,942**	**-703**	**1,393**	**1,985**	**23,044**	**3**	**23,047**
Total comprehensive income				386	759		1,144		1,144
Dividend			-537				-537		-537
Increase of capital						2	2		2
Share buyback[1]	-32	-337	369						
Paid interest on AT1 capital securities			-46				-46		-46
Other changes in equity[2]			10				10		10
Balance at 30 September 2023	**866**	**12,192**	**6,739**	**-317**	**2,151**	**1,987**	**23,618**	**3**	**23,621**
Balance at 1 July 2024	**866**	**12,192**	**8,146**	**-256**	**1,316**	**2,730**	**24,993**	**3**	**24,995**
Total comprehensive income				-45	690		645		645
Dividend			-500				-500		-500
Increase of capital[1]						744	744		744
Share buyback[1]	-33	-343	376						
Paid interest on AT1 capital securities			-74				-74		-74
Balance at 30 September 2024	**833**	**11,849**	**7,947**	**-301**	**2,005**	**3,474**	**25,807**	**3**	**25,810**

1. For more information, please refer to the Capital management chapter.
2. Including EUR 10 million transaction costs related to the share buyback.

Risk developments

Key figures

(in millions)	30 September 2024	30 June 2024	31 December 2023
Total loans and advances, gross carrying amount[1, 2]	**268,009**	**262,302**	**255,066**
- of which Banks	*2,686*	*3,281*	*2,327*
- of which Residential mortgages[1]	*155,088*	*153,485*	*151,078*
- of which Consumer loans[2]	*7,826*	*7,954*	*8,380*
- of which Corporate loans[1, 2]	*94,390*	*91,203*	*86,784*
- of which Other loans and advances customers[2]	*8,018*	*6,378*	*6,497*
Total Exposure at Default (EAD)	**388,278**	**390,275**	**386,024**
Credit quality indicators[2]			
Forbearance ratio	2.0%	2.2%	2.2%
Past due ratio	0.8%	0.7%	0.8%
Stage 2 ratio	7.8%	8.1%	8.7%
Stage 2 coverage ratio	1.1%	1.1%	1.3%
Stage 3 ratio[3]	1.9%	1.9%	1.9%
Stage 3 coverage ratio[3]	20.9%	21.7%	22.9%
Regulatory capital			
Total RWA	143,822	146,348	140,187
- of which Credit risk[4]	*125,729*	*127,536*	*122,548*
- of which Operational risk	*15,977*	*15,977*	*15,465*
- of which Market risk	*2,117*	*2,835*	*2,175*
Total RWA/total EAD	37.0%	37.5%	36.3%
Mortgage indicators			
Residential mortgages, gross carrying amount[1]	155,088	153,485	151,078
- of which mortgages with Nationale Hypotheek Garantie (NHG)	*31,338*	*30,707*	*29,542*
Exposure at Default[5]	162,745	159,297	157,486
Risk-weighted assets (Credit risk)[5]	23,971	23,855	23,891
RWA/EAD	14.7%	15.0%	15.2%
Average Loan-to-Market-Value	55%	56%	58%
Average Loan-to-Market-Value - excluding NHG loans	55%	56%	58%

1. Excluding fair value adjustments from hedge accounting.
2. Excluding loans and advances measured at fair value through P&L.
3. Including Purchased or originated credit impaired (POCI).
4. RWA for credit value adjustment (CVA) is included in credit risk. CVA as at 30 September 2024: EUR 0.1 billion (30 June 2024: EUR 0.2 billion; 31 December 2023: EUR 0.3 billion).
5. The RWA (Credit risk) and Exposure at Default amounts are based on the exposure class Secured by immovable property. This scope is slightly broader than the residential mortgage portfolio.

Loans and advances

As at 30 September 2024, total loans and advances increased modestly to EUR 268.0 billion (30 June 2024: EUR 262.3 billion). The largest increase was noted for corporate and other loans, mainly to professional counterparties where demand for credit increased and margin contributions were higher. There was also an increase in residential mortgages, mainly as a result of increased activity in the mortgage market.

Exposure at default

The exposure at default (EAD) decreased by EUR 2.0 billion to EUR 388.3 billion as at 30 September 2024. This was mainly due to a decrease in exposure at cash and balances at central banks, partially counterbalanced by an increase in exposure in mortgages.

Credit quality indicators

In the third quarter of 2024, the forbearance ratio decreased to 2.0% (Q2 2024: 2.2%). Forborne exposures decreased to EUR 5.2 billion (Q2 2024: EUR 5.7 billion), mainly in performing corporate loans.

The past due ratio returned to 0.8% following a rise in short term arrears in residential mortgages, which was partly compensated by a decline in past due corporate loans. Stage 2 ratio decreased to 7.8% (Q2 2024: 8.1%), due to new loan production and shifts to stage 1 in corporate loans. Stage 3 ratio remained stable at 1.9%. The coverage ratio for stage 3 decreased to 20.9% (Q2 2024: 21.7 %), mainly due to IFRS 9 model changes for mortgages.

Risk-weighted assets

Total risk-weighted assets (RWA) decreased by EUR 2.5 billion to EUR 143.8 billion as at 30 September 2024 (30 June 2024: EUR 146.3 billion), predominantly reflecting lower credit risk RWA. The EUR 1.8 billion decrease in credit risk RWA was mainly driven by business developments in Corporate Banking, where Clearing was the largest contributor. This was partly offset by business developments in Global Markets. Data quality improvements added to the decline in credit risk RWA.

We are continuing the review of our credit risk RWA models, which may lead to further model updates and RWA add-ons. We plan to do a final submission to move models to less sophisticated approaches by around year-end 2024, which may lead to some additional RWA add-ons in Q1 2025.

Market risk RWA decreased by EUR 0.7 billion, mainly due to position changes as a result of the steering down of the credit trading portfolio.

Impairments and cost of risk

	Q3 2024	Q3 2023	Q2 2024	**Nine months 2024**	Nine months 2023
Impairment charges on loans and other advances (in EUR million)[1]	-29	-21	-4	-30	-76
- of which Residential mortgages	*-46*	*28*	*-5*	*-65*	*31*
- of which Consumer loans	*-10*	*6*	*-1*	*-10*	*-10*
- of which Corporate loans	*44*	*-32*	*-22*	*29*	*-56*
- of which Off-balance sheet items	*-16*	*-23*	*25*	*19*	*-36*
Cost of risk (in bps)[2, 3]	-2		-4	-2	-2
- of which Residential mortgages	*-12*	*7*	*-1*	*-6*	*3*
- of which Consumer loans	*-53*	*29*	*-3*	*-17*	*-14*
- of which Corporate loans	*19*	*-14*	*-9*	*4*	*-8*

1. Including other loans and impairments charges on off-balance sheet exposures.
2. Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers on the basis of gross carrying amount and excluding fair value adjustment from hedge accounting.
3. Calculation of CoR excludes (impairment charges on) off-balance exposures.

In Q3 2024, impairment releases amounted to EUR 29 million (Q3 2023: EUR 21 million release), resulting in a cost of risk of -2bps (Q3 2023: 0bps). Impairment releases were recorded mainly for residential mortgages and were largely attributable to IFRS 9 model refinements for residential mortgages, including enhanced and updated data, and a revision of the IFRS management overlay framework for mortgages. The increased impairment charges in corporate loans were primarily caused by additions in individual provisions.

Macroeconomic scenarios

ECL scenarios on 30 September 2024

Scenario	Weight	Macroeconomic variable	2024	2025	2026	2027
Positive	15%	Real GDP Netherlands[1]	1.1%	2.9%	2.1%	2.0%
		Unemployment[2]	3.5%	3.5%	3.4%	3.4%
		House price index[3]	8.0%	6.5%	3.5%	3.0%
Baseline	60%	Real GDP Netherlands[1]	0.6%	1.3%	1.4%	1.4%
		Unemployment[2]	3.7%	3.9%	4.0%	4.2%
		House price index[3]	7.5%	5.0%	3.0%	2.5%
Negative	25%	Real GDP Netherlands[1]	0.1%	-0.1%	0.8%	0.9%
		Unemployment[2]	4.1%	6.1%	5.8%	5.6%
		House price index[3]	6.5%	-2.5%	-3.0%	2.0%

1. Real GDP Netherlands, % change year-on-year.
2. Unemployment Netherlands, % of labour force.
3. House price index Netherlands - average % change year-on-year.

ECL scenarios on 30 June 2024

Scenario	Weight	Macroeconomic variable	2024	2025	2026	2027
Positive	15%	Real GDP Netherlands[1]	1.8%	2.7%	2.1%	1.9%
		Unemployment[2]	3.5%	3.5%	3.4%	3.4%
		House price index[3]	8.0%	6.5%	3.5%	3.0%
Baseline	60%	Real GDP Netherlands[1]	0.5%	1.3%	1.4%	1.4%
		Unemployment[2]	3.8%	4.0%	4.2%	4.2%
		House price index[3]	6.0%	5.0%	3.0%	2.5%
Negative	25%	Real GDP Netherlands[1]	-0.4%	0.0%	1.1%	0.9%
		Unemployment[2]	4.8%	6.1%	5.9%	5.7%
		House price index[3]	1.5%	-8.0%	-1.0%	2.0%

1. Real GDP Netherlands, % change year-on-year.
2. Unemployment Netherlands, % of labour force.
3. House price index Netherlands - average % change year-on-year.

Growth of GDP in the Netherlands is expected to pick up to 0.6% in 2024, but remains below the trend growth rate. The key driver of GDP growth in the Netherlands will be domestic demand from the government and to a lesser extent households. Compared with the previous quarter, the consumer price index (CPI) forecasts for the Netherlands for 2024 and 2025 were raised by roughly 0.5pp to 3.2% and 2.9%, driven by higher rent indexation and the pass-through of solid wage growth. Our forecast for the Dutch house price index was also raised compared with the previous quarter. The 2024 forecast for the commercial real estate (CRE) index has been upwardly revised to -1.5% (from -2.0%), whereas the forecast for 2025 has been lowered by 1.5pp to 1.5%.

The expected credit losses (ECL) scenarios in the table above reflect the expectations of our economists as at the end of September 2024. Economic developments that took place after that date will be reflected in our ECL calculation for the fourth quarter of 2024. The scenario weights indicated in the tables above are in place for ECL calculation purposes only and are designed to capture prevailing uncertainties in the macroeconomic outlook in our ECL estimate.

Coverage and stage ratios

(in millions)	Gross carrying amount[3]	Allowances for credit losses[4]	Coverage ratio	Stage ratio	Coverage ratio	Stage ratio	Coverage ratio	Stage ratio
	30 September 2024				30 June 2024		31 December 2023	
Stage 1								
Loans and advances banks	**2,649**	**3**	**0.1%**	**98.6%**	**0.1%**	**98.9%**	**0.1%**	**98.4%**
Residential mortgages	142,588	35	0.0%	91.9%	0.0%	92.4%	0.0%	91.8%
Consumer loans[1]	7,081	14	0.2%	90.5%	0.2%	90.2%	0.2%	91.4%
Corporate loans[1]	82,095	183	0.2%	87.0%	0.2%	85.5%	0.3%	84.5%
Other loans and advances customers[1]	8,004		0.0%	99.8%	0.0%	99.9%	0.0%	99.7%
Total loans and advances customers[1]	**239,769**	**232**	**0.1%**	**90.4%**	**0.1%**	**90.1%**	**0.1%**	**89.5%**
Stage 2								
Loans and advances banks	**37**		**0.0%**	**1.4%**			**0.0%**	**1.6%**
Residential mortgages	11,134	46	0.4%	7.2%	0.4%	6.7%	0.4%	7.4%
Consumer loans[1]	520	13	2.6%	6.6%	2.2%	6.6%	2.4%	5.6%
Corporate loans[1]	8,964	172	1.9%	9.5%	1.7%	11.0%	2.2%	11.9%
Other loans and advances customers[1]	5		0.9%	0.1%	0.8%	0.0%	7.9%	0.2%
Total loans and advances customers[1]	**20,623**	**231**	**1.1%**	**7.8%**	**1.1%**	**8.1%**	**1.3%**	**8.7%**
Stage 3 and POCI[2]								
Loans and advances banks					**0.0%**	**1.1%**		
Residential mortgages	1,366	60	4.4%	0.9%	8.9%	0.9%	9.7%	0.9%
Consumer loans[1]	226	106	46.8%	2.9%	46.0%	3.1%	46.3%	3.0%
Corporate loans[1]	3,330	864	25.9%	3.5%	25.1%	3.6%	26.4%	3.6%
Other loans and advances customers[1]	9	2	18.9%	0.1%	23.4%	0.1%	27.1%	0.1%
Total loans and advances customers[1]	**4,931**	**1,031**	**20.9%**	**1.9%**	**21.7%**	**1.9%**	**22.9%**	**1.9%**
Total of stages 1, 2, 3 and POCI[2]								
Total loans and advances banks	**2,686**	**3**	**0.1%**		**0.1%**		**0.1%**	
Residential mortgages	155,088	141	0.1%		0.1%		0.1%	
Consumer loans[1]	7,826	133	1.7%		1.8%		1.8%	
Corporate loans[1]	94,390	1,219	1.3%		1.3%		1.4%	
Other loans and advances customers[1]	8,018	2	0.0%		0.0%		0.1%	
Total loans and advances customers[1]	**265,323**	**1,495**	**0.6%**		**0.6%**		**0.6%**	
Total loans and advances[1]	**268,009**	**1,498**	**0.6%**		**0.6%**		**0.6%**	

1. Excluding loans at fair value through P&L.
2. On 30 September 2024 loans classified as POCI amounted to EUR 6 million (30 June 2024: EUR 3 million; 31 December 2023: EUR 5 million). Due to the immateriality, these loans been included in the amount shown for stage 3.
3. Gross carrying amount excludes fair value adjustments from hedge accounting.
4. The allowances for credit losses excludes allowances for financial investments held at FVOCI (30 September 2024: EUR 1 million; 30 June 2024: EUR 1 million; 31 December 2023: EUR 1 million).

Residential mortgages

Housing market developments

Dutch residential property prices continued to increase in the third quarter of 2024. The average house price, as published by Statistics Netherlands, was 3.7% higher than in Q2 2024 and 11.1% higher than in Q3 2023.

The main factors driving current house prices upward are the limited supply of homes for sale, wage increases, homeowners with surplus value moving on and rising consumer confidence in the housing market. The number of houses sold in Q3 2024 increased by 15.3% compared with Q3 2023, according to the Dutch Land Registry (Kadaster).

Residential mortgage portfolio insights

New mortgage production amounted to EUR 5.1 billion, an increase of 8.0% compared to Q2 2024 (EUR 4.8 billion) and 50.4% more than in Q3 2023 (EUR 3.4 billion). ABN AMRO's market share in new mortgage production was 18.6% in Q3 2024 (Q2 2024: 19.8%, Q3 2023: 16.6%[1]). In Q3 2024, redemptions totalled EUR 3.5 billion, an 8.3% increase compared to Q2 2024 and 7.1% more than in Q3 2023.

The average Loan to indexed Market Value (LtMV) decreased to 55% (Q2 2024: 56%, Q3 2023: 58%). The gross carrying amount of mortgages with an LtMV in excess of 100% decreased to EUR 3.2 billion, or 2.0% of the outstanding portfolio (Q2 2024: EUR 3.9 billion, Q3 2023: EUR 7.8 billion), mainly due to house price developments. The total exposure of mortgages originated in the third quarter of 2024 with an LtMV in excess of 100% was approximately EUR 1.2 billion and mainly concerned sustainable home improvements in accordance with the temporary Dutch scheme for mortgage loans (Tijdelijke Regeling Hypothecair Krediet). The LtMV on those loans is capped at 106%.

The proportion of amortising mortgages further increased to 49.1% of the outstanding portfolio (Q2 2024: 48.1%, Q3 2023: 45.8%), while the proportion of interest-only mortgages continued to decline to 40.2% (Q2 2024: 40.8%, Q3 2023: 42.3%). The amount (in euros) of fully interest-only mortgages with an LtMV in excess of 100% is very limited at 0.03% of the portfolio (Q2 2024: 0.04%, Q3 2023: 0.06%).

The percentage of residential mortgage loans in arrears increased from 0.7% in Q2 2024 to 0.8% in Q3 2024. The increase was mainly in short term arrears (less than 30 days).

Other Risk Developments

Investor claims regarding AML disclosures

ABN AMRO received claims from two groups of institutional investors for alleged losses as a result of a drop in ABN AMRO's share price following disclosures made in the period from 2015 to 2022 in relation to (non-)compliance by ABN AMRO with anti-money laundering laws and regulations, the related investigation of the Dutch Public Prosecutor's Office which resulted in a settlement, and associated risks. The groups of investors hold liable ABN AMRO and certain former and current executive and supervisory board members for alleged damages of in total approximately EUR 400 million. ABN AMRO disputes these allegations and has not recognised a provision for this matter. No proceedings on the merits have been initiated yet by both groups of investors. One group of investors has filed a request for the disclosure of certain documents and preliminary witness hearings of certain former board members and employees of ABN AMRO.

Formal discussions with the regulator on alleged violations of remuneration restrictions

Formal discussions take place with the regulator regarding alleged violations of remuneration restrictions for a number of employees. The regulator might impose financial penalties, but no formal decisions have been taken yet. ABN AMRO has presented facts and circumstances as well as its views on the matters towards the regulator and is awaiting the decision of the regulator regarding possible regulatory measures. Currently, there is no clarity yet as to whether the regulator will take enforcement measures, or the amounts involved.

[1] Note that our data source for new mortgage production and market share changed from Land Registry (Kadaster) to Hypotheken Data Netwerk (HDN) from Q1 2024. Comparative figures have been adjusted accordingly.

Capital management

Regulatory capital structure (pro-forma)[1]

(in millions)	30 September 2024	30 June 2024	31 December 2023
Total equity (EU IFRS)	**25,810**	**24,995**	**24,168**
Dividend reserve	-952	-627	-770
AT1 capital securities (EU IFRS)	-3,474	-2,730	-1,987
Share buyback reserve			-500
Regulatory and other adjustments	-1,071	-1,433	-907
Common Equity Tier 1	**20,314**	**20,206**	**20,003**
AT1 capital securities (EU IFRS)	3,474	2,730	1,987
Regulatory and other adjustments		-2	-5
Tier 1 capital	**23,787**	**22,934**	**21,985**
Subordinated liabilities (EU IFRS)	6,383	5,608	5,572
Regulatory and other adjustments	-1,739	-1,531	-1,294
Tier 2 capital	**4,644**	**4,077**	**4,279**
Total regulatory capital	**28,432**	**27,011**	**26,264**
Other MREL eligible liabilities[2]	16,706	17,912	17,772
Total MREL eligible liabilities	**45,138**	**44,923**	**44,036**
Total risk-weighted assets	**143,822**	**146,348**	**140,187**
Exposure measure	436,327	430,460	412,957
Capital ratios			
Common Equity Tier 1 ratio	14.1%	13.8%	14.3%
Common Equity Tier 1 ratio (Basel IV)[3]	14%	14%	15%
Tier 1 ratio	16.5%	15.7%	15.7%
Total capital ratio	19.8%	18.5%	18.7%
MREL	31.4%	30.7%	31.4%
Leverage ratio	5.5%	5.3%	5.3%
Regulatory reported capital and CET1 ratio[4]			
Common Equity Tier 1	19,915	20,206	20,003
Common Equity Tier 1 ratio	13.8%	13.8%	14.3%

1. Including 50% of the net profit in line with the existing dividend policy and the practice that was applied until 30 June 2024. In reference to new prudential expectations from the ECB towards the banks in relation to the eligible part of interim profit, this net profit is not yet eligible for the regulatory reported CET1 capital. As per 30 September 2024 this amounted to EUR 398 million.
2. Other MREL eligible liabilities consists of subordinated liabilities and senior non-preferred notes that are not included in regulatory capital.
3. Basel IV results are based on fully-loaded figures, rounded to the nearest whole percent, based on ABN AMRO's interpretation of the Basel IV framework and subject to the implementation of Basel IV standards into EU legislation.
4. Excluding 50% of the net profit (30 September 2024: EUR 398 million) that is not yet eligible for the regulatory reported CET1 capital as disclosed in Pillar 3.

Developments impacting capital ratios

Following new prudential expectations by the ECB, none of the Q3 net profits are eligible for inclusion in CET1 capital. This is because share buybacks are considered an ordinary component of ABN AMRO's distribution policy and approach, which does not specify an upper limit for the total distribution to shareholders of the combined cash dividend and/or share buyback amount.

As at 30 September 2024, the regulatory reported CET1 ratio under Basel III was 13.8% (30 June 2024: 13.8%), while the pro-forma CET1 ratio under Basel III, including 50% of the Q3 net profit after deduction of AT1 coupons, was 14.1%. In comparison with Q2 2024, the pro-forma CET1 ratio increased, mainly due to the decrease in RWA and an increase in pro-forma CET1 capital. Total RWA decreased by EUR 2.5 billion compared with 30 June 2024, mainly reflecting a decrease in credit risk RWA and to a lesser extent market risk RWA. The decrease in credit risk RWA was primarily driven by business developments, mainly in Clearing, and to a lesser extent by data quality improvements. This quarter, the pro-forma amount of CET1 capital increased slightly to EUR 20.3 billion (30 June 2024: EUR 20.2 billion). This mainly reflects the addition of the Q3 2024 net profit, after deduction of AT1 coupons, which was added to CET1 capital excluding a 50% dividend reservation. A lower deduction for prudential backstop also

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contributed to the increase in CET1 capital. The increase was partly offset by higher capital deductions from IRB provision shortfall, unrealised losses on investments in debt securities due to market movements, and intangible assets and goodwill. All capital ratios were in line with the bank's risk appetite and comfortably above regulatory requirements.

The maximum distributable amount (MDA) trigger level remained at 11.2% (30 June 2024: 11.2%), resulting in an MDA buffer of 2.9% above the MDA trigger level.

The Basel IV CET1 ratio was estimated at around 14% as at 30 September 2024. This was above the target of 13.5%. We are in the process of simplifying our model landscape while at the same time preparing for the upcoming implementation of Basel IV. Implementing these complex regulatory changes is taking longer than anticipated and as they impact our planned Q4 capital assessment, we have decided to postpone this assessment to Q2 2025.

We are continuing the review of our credit risk RWA models and data landscape, which may lead to further model updates and RWA add-ons. We plan to do a final submission to move models to less sophisticated approaches by around year-end 2024, which may lead to some additional RWA add-ons in Q1 2025.

Leverage ratio

The Capital Requirements Regulation (CRR) includes a non-risk-based and binding leverage ratio. The leverage ratio increased to 5.5% as at 30 September 2024 (30 June 2024: 5.3%). This was primarily due to an increase in Tier 1 capital, mainly due to the EUR 750 million AT1 issuance, partly offset by the increase in on-balance sheet exposures. The reported leverage ratio remained well above the 3.0% requirement.

MREL

Based on the eligible liabilities, i.e. own funds, subordinated instruments and senior non-preferred (SNP) notes, the MREL ratio increased to 31.4% as at 30 September 2024 (30 June 2024: 30.7%). The increase was mainly driven by the decrease in RWA and an increase in MREL eligible liabilities. The increase in MREL eligible liabilities mainly resulted from the EUR 750 million T2 issuance on 16 July 2024 and the EUR 750 million AT1 issuance on 9 September 2024.

The MREL requirement as at 30 September 2024 is 28.8%, of which 25.2% must be met by own funds, subordinated instruments and SNP notes. This includes a combined buffer requirement (CBR) of 5.5%. The MREL ratio is well above the MREL requirements.

The Single Resolution Board (SRB) has notified ABN AMRO Bank of the preliminary outcome of the MREL requirements for 2025. The expected MREL requirement for 1 January 2025 is 28.4%, of which 22.2% must be met by own funds, subordinated instruments and SNP notes. This is based on an unchanged CBR.

The reported MREL ratio excludes EUR 1.4 billion of grandfathered senior preferred liabilities currently eligible for MREL.

About this report

Introduction
This report presents ABN AMRO's results for the third quarter of 2024. It provides a quarterly business and financial review as well as risk and capital disclosures.

Presentation of information
Except for the changes described below, the financial information contained in this Quarterly Report has been prepared according to the same accounting policies as our most recent financial statements, which were prepared in accordance with EU IFRS. The figures in this document have not been audited or reviewed by our external auditor. This report is presented in euros (EUR), which is ABN AMRO's functional and presentation currency, rounded to the nearest million (unless otherwise stated).

All annual averages in this report are based on month-end figures. Management does not believe these month-end averages present trends that are materially different from those that would be presented by daily averages. Certain figures in this report may not tally exactly due to rounding. Furthermore, certain percentages in this document have been calculated using rounded figures.

Other information
To download this report or to obtain more information, please visit us at abnamro.com/ir or contact us at investorrelations@nl.abnamro.com. In addition to this report, ABN AMRO provides an analyst and investor call, an investor presentation and a factsheet regarding the third quarter 2024 results.

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Investor call
A conference call for analysts and investors will be hosted on Wednesday 13 November 2024. To participate in the conference call, we strongly advise analysts and investors to pre-register for the call using the information provided on the ABN AMRO Investor Relations website. More information can be found on our website abnamro.com/ir.

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