# IR / Press Release

Amsterdam, 17 May 2013

## ABN AMRO reports net profit of EUR 415 million for first quarter of 2013

- **Net profit for Q1 2013 was 17% lower than the Q1 2012 net profit of EUR 503 million, but significantly higher compared with the loss of EUR 38 million in Q4 2012**
- **Excluding large items, net profit was under pressure year-on-year as non-interest income was lower and loan impairments further increased, driven by continued weak economic conditions in the Netherlands**
- **The cost/income ratio was 68%, up from 57% in Q1 2012 and down from 79% in Q4 2012. Excluding large items and the bank tax, the cost/income ratio would have been 64%, 57% and 61% respectively**
- **The core Tier 1 ratio was 11.6%, the Tier 1 ratio 12.4% and the total capital ratio 17.4%**

Gerrit Zalm, Chairman of ABN AMRO Group, comments:

*"The first quarter of 2013 can be qualified as a difficult quarter. The Dutch economy has not recovered and both the number of bankruptcies and unemployment levels continued to rise. Although the net profit of EUR 415 million is a good result at first glance under these circumstances, the development of net profit was affected by several large items. Excluding these large items, which include Greek exposures, a net profit of EUR 290 million would have remained. This is a EUR 185 million decline compared with Q1 2012, but an increase of EUR 173 million compared with Q4 2012. Given the current economic conditions and excluding large items, the profitability of Retail Banking, Private Banking and Commercial Banking held up well, whereas Merchant Banking posted a sharp decline in profit.*

*Net interest income and net fee and commission income increased both year-on-year and quarter-on-quarter. The deterioration of the cost/income ratio to 68% was caused by the decline in other non-interest income and higher pension expenses. Large items had a negative impact of approximately 4 percentage points on the Q1 2013 cost/income ratio. Loan impairments for SMEs and retail clients (both the mortgage and consumer loan books) reflect the weak economic conditions and the rise in the unemployment level in the Netherlands. The increase in loan impairments was more than offset by the release of the impairment allowance for our Greek government-guaranteed exposures following the sale of a second tranche of these exposures.*

*As unemployment is still on the rise and no economic growth in the Netherlands is expected for 2013, we remain cautious for the remainder of the year."*

## Income statement

In 2012, ABN AMRO finalised the integration of ABN AMRO Bank and Fortis Bank Nederland. As of the first quarter of 2013, ABN AMRO presents its results on a reported basis, which means that historical periods will no longer be adjusted for costs related to the integration. The integration costs are, however, part of the large items as defined in Annex 3. Furthermore, ABN AMRO adopted the amended pension accounting standard IAS 19 as from 1 January 2013. As a result, all 2012 disclosed figures have been adjusted accordingly for comparison purposes. The impact of the amendment of IAS 19 on the Q1 2012 figures is EUR 65 million lower personnel expenses and EUR 49 million higher net profit. For more detailed information regarding the impact of the amended IAS 19 on the financial statements as per year-end 2012, please refer to pages 301 and further of the 2012 Annual Report.

## First-quarter 2013 compared with first-quarter 2012

| **Results**[1] | | | |
|---|---|---|---|
| *(in millions)* | *Q1 2013* | *Q1 2012* | *Change* |
| *Net interest income* | *1,305* | *1,237* | *5%* |
| *Net fee and commission income* | *412* | *403* | *2%* |
| *Other non-interest income* | *- 8* | *275* | |
| Operating income | 1,709 | 1,915 | -11% |
| *Personnel expenses* | *619* | *490* | *26%* |
| *Other expenses* | *551* | *606* | *-9%* |
| Operating expenses | 1,170 | 1,096 | 7% |
| **Operating result** | **539** | **819** | **-34%** |
| Impairment charges on loans and other receivables | - 38 | 187 | |
| **Operating profit before taxes** | **577** | **632** | **-9%** |
| Income tax expenses | 162 | 129 | 26% |
| **Profit for the period** | **415** | **503** | **-17%** |

| **Other indicators** | | | |
|---|---|---|---|
| | *Q1 2013* | *Q1 2012* | |
| Cost/income ratio | 68% | 57% | |
| Return on average Equity | 12% | 15% | |
| Return on average RWA (in bps) | 137 | 165 | |
| NII/average total assets (in bps) | 128 | 122 | |
| Cost of risk (in bps) | - 13 | 61 | |
| | *31 March 2013* | *31 December 2012* | *Change* |
| RWA/Total assets | 30% | 31% | |
| Assets under Management (in billions) | 165.1 | 163.1 | 1% |
| Risk-weighted assets (in billions) | 126.1 | 121.5 | 4% |
| FTEs | 22,926 | 23,059 | -1% |

ABN AMRO's net profit for the first quarter of 2013 amounted to EUR 415 million, 17% lower than the first quarter of 2012. The decrease in net profit was mainly the result of lower non-interest income and higher pension costs, partly offset by a large loan impairment release related to the sale of another part of the Greek

[1] All 2012 figures have been adjusted for comparison purposes following adoption of the amended pension accounting standard (IAS 19)

government-guaranteed exposures. Net interest income and net fee and commission income held up well. The results in both 2013 and 2012 were impacted by several large items (which include integration costs in 2012). Excluding large items, net profit would have been EUR 185 million or 39% lower than Q1 2012 due mainly to an increase in loan impairments, lower non-interest income in Markets and increased pension costs. Further details on the large items are included in Annex 3.

- **Operating income** decreased by 11% to EUR 1,709 million. Excluding large items, the decline would have been 4%.

  **Net interest income** increased by 5% driven by improved margins on the mortgage and commercial loan books and higher savings volumes and margins. Volumes in both lease and commercial finance also grew. These positive developments were partly offset as funding costs and capital costs increased year-on-year. Even though spreads have tightened in recent years, funding costs rose as maturing funding, which was issued pre-crisis, was replaced at higher spreads. The issuance of three new lower Tier 2 instruments in the second half of 2012 led to higher capital costs.

  **Net fee and commission income** increased by 2% mainly in Private Banking and Merchant Banking. The increase was partly offset by lower insurance fees following the sale of part of ABN AMRO Verzekeringen in 2012.

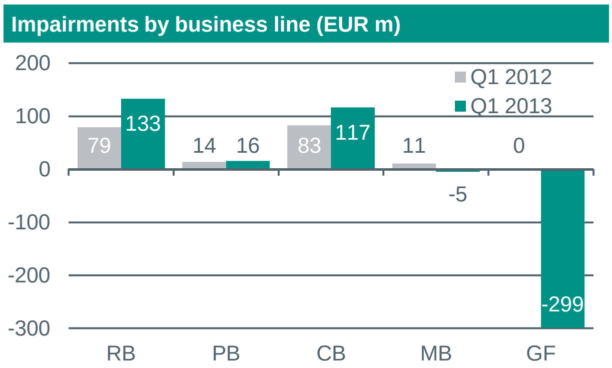
  **Other non-interest income** was EUR 283 million lower compared with the first quarter of 2012. Excluding large items, other non-interest income would have declined by EUR 153 million. The decrease was recorded in both Merchant Banking and ALM (part of Group Functions). The decline in Merchant Banking was due mainly to lower volumes in interest rate derivative transactions given the low interest rate environment and lower average volumes and margins in securities financing transactions. Markets revenues were also negatively affected by the strategic decision to wind down the non-client-related part of the equity derivatives business. ALM recorded a lower valuation of part of the trading book and structured funding as well as unfavourable hedge accounting-related results.

  Eighty-five per cent of total operating income was generated in the Netherlands, 8% in the rest of Europe and 7% in the rest of the world.

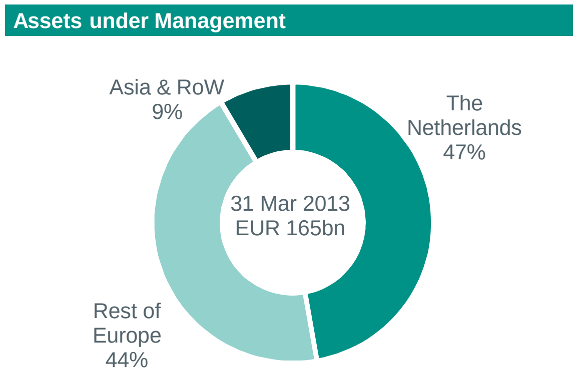
- **Operating expenses** were up by EUR 74 million, or 7%, as pension expenses increased by EUR 78 million as a result of a strong decrease of the discount rate. Furthermore, a EUR 37 million addition to the restructuring provision drove up personnel expenses as a reorganisation was announced in Commercial & Merchant Banking (C&MB) in order to further improve efficiency. The reorganisation is expected to lead to a reduction of approximately 400 FTEs, part of which will be realised through natural attrition and internal reallocation. The collective labour agreement caused some wage inflation. Other expenses decreased primarily due to integration costs incurred in 2012 (EUR 43 million).

- There was a 34% decrease in the **operating result** to EUR 539 million. Excluding large items, the operating result would have come down by 19%. The **cost/income ratio** deteriorated by 11 percentage points to 68%. Excluding large items, the cost/income ratio would have been 64% in Q1 2013 compared with 57% in Q1 2012.

- **Impairment charges on loans and other receivables** decreased by EUR 225 million. The decline was driven by releases related to the sale of a second tranche of the Greek government-guaranteed corporate exposures as well as a reassessment of the remaining Greek exposures (EUR 297 million in total). Excluding these, loan impairment charges would have risen by EUR 72 million, or 39%, to EUR 259 million due to continuing weak economic conditions in the Netherlands, which led to lower consumer confidence, lower house prices and higher unemployment affecting mainly the mortgage, consumer and SME loan portfolios. Impairments on mortgages grew due to an increase in the impaired portfolio. Impairment charges on mortgages over the total mortgage loan book increased to 21bps (annualised) over Q1 2013 from 10bps (annualised) over Q1 2012. The impairment charges on SMEs also rose further and remained high in the Real Estate, Industrial Transportation, Horticulture and Construction sectors.




Total impairment charges over average RWA ('cost of risk') went down to -13bps in Q1 2013 (from 61bps in Q1 2012). Excluding the releases on the Greek government-guaranteed corporate exposures, the cost of risk would have been 85bps in Q1 2013.



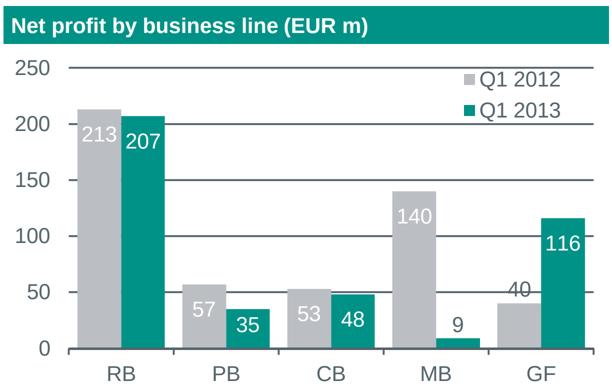

- The effective **tax rate** increased to 28% in 2013 from 20% in 2012, primarily as a result of a higher amount of non-deductible charges in 2013.

- Assets under Management (**AuM**) of Private Banking grew by EUR 2.0 billion in Q1 2013 to EUR 165.1 billion. Net new assets were flat. New inflow from the 'feeder channel' Retail Banking was offset by an outflow of custody assets both internationally and in the Netherlands.

## Results by segments

Further segment information is given in Annex 2.

**Retail Banking** net profit decreased by 3% compared with 2012 to EUR 207 million. Improved margins on mortgage loans and savings and higher savings volumes were more than offset by increased impairments on mortgages and consumer loans and higher pension expenses.




**Private Banking** posted a net profit of EUR 35 million, down from EUR 57 million in Q1 2012. The decline was driven mainly by a positive large item in Q1 2012 combined with slightly lower margins on savings and higher pension expenses in Q1 2013.

**Commercial Banking** realised a first-quarter net profit of EUR 48 million, down by EUR 5 million compared with the same period last year. Despite higher pension expenses, the operating result increased by 18%, which was more than offset by higher loan impairments. The level of impairment charges was still affected by the weak economic conditions in the Netherlands, especially for SMEs.

**Merchant Banking** posted a net profit of EUR 9 million, down from EUR 140 million in Q1 2012. The decrease was driven mainly by a large item related to a reassessment of part of the securities financing activities conducted abroad which have been discontinued as from 2009. Net profit was also negatively impacted by the strategic decision to wind down part of the equity derivatives activities, lower margins and volumes in client-driven securities financing activities (compared to a year ago) and lower interest derivative volumes combined with higher pension expenses.

**Group Functions** realised a net profit of EUR 116 million compared with EUR 40 million in Q1 2012. The results of 2013 include a loan impairment release of EUR 223 million net-of-tax for Greek government-guaranteed corporate exposures and a EUR 28 million net-of-tax addition to the restructuring provision for C&MB. Funding and capital costs increased as long-term funding maturing in 2012 was replaced at higher spreads and new capital instruments were issued in the second half of 2012. Operating expenses increased due mainly to higher pension expenses.

## First quarter 2013 compared with fourth quarter 2012

All 2012 figures have been adjusted for comparison purposes following adoption of the amended pension accounting standard (IAS 19). The impact of the amendment of IAS 19 on the Q4 2012 disclosed figures is EUR 77 million lower personnel expenses and EUR 58 million higher net profit.

| Results[2] | | | |
|---|---|---|---|
| *(in millions)* | *Q1 2013* | *Q4 2012* | *Change* |
| *Net interest income* | *1,305* | *1,255* | *4%* |
| *Net fee and commission income* | *412* | *382* | *8%* |
| *Other non-interest income* | *- 8* | *77* | |
| Operating income | 1,709 | 1,714 | 0% |
| *Personnel expenses* | *619* | *600* | *3%* |
| *Other expenses* | *551* | *754* | *-27%* |
| Operating expenses | 1,170 | 1,354 | -14% |
| **Operating result** | **539** | **360** | **50%** |
| Impairment charges on loans and other receivables | - 38 | 466 | |
| **Operating profit before taxes** | **577** | **- 106** | |
| Income tax expenses | 162 | - 68 | |
| **Profit for the period** | **415** | **- 38** | |

| Other indicators | | |
|---|---|---|
| | *Q1 2013* | *Q4 2012* |
| Cost/income ratio | 68% | 79% |
| Return on average Equity | 12% | -1% |
| Return on average RWA (in bps) | 137 | - 12 |
| NII/average Total assets (in bps) | 128 | 120 |
| Cost of risk (in bps) | - 13 | 146 |

Net profit in the first quarter of 2013 increased by EUR 453 million. Both quarters were impacted by large items of EUR 125 million positive in Q1 2013 and EUR 43 million negative in Q4 2012. The fourth quarter of 2012 also

[2] All 2012 figures have been adjusted for comparison purposes following adoption of the amended pension accounting standard (IAS 19)

included the full-year charge for the Dutch bank tax (EUR 112 million). Excluding these large items and the bank tax, net profit would have increased by EUR 173 million, due mainly to lower loan impairments.

- **Operating income** was virtually flat compared with Q4 2012 at EUR 1,709 million.

  **Net interest income** increased by 4% due to higher savings margins and volumes in Retail Banking as competition for retail deposits continued to ease leading to lower client rates and steady inflow. Commercial Banking saw a small increase in both the margin and the volume of the loan book.

  **Net fee and commission income** increased by 8%, due to higher net fees and commissions in Clearing.

  **Other non-interest income** declined by EUR 85 million, mainly due to the impact of large items in both quarters and the gain on the sale of a participation in Q4 2012. This was partly offset by more favourable results related to debt value adjustments (DVA).

- **Operating expenses** were down by 14%, due chiefly to the Dutch bank tax charged in Q4 2012 and large integration-related items in Q4 2012. Excluding these items, operating expenses would have increased by 14% due to higher IFRS pension expenses (EUR 135 million higher quarter-on-quarter including a full year adjustment of EUR 39 million in Q4 2012) and an addition to the restructuring provision to improve efficiency combined with a wage increase as from 1 January 2013 (under the terms of a new collective labour agreement).

- The **cost/income** ratio was 68% compared with 79% in Q4 2012. Excluding the Dutch bank tax and large items, the cost/income ratio would have been 64% and 61% respectively.

- **Impairment charges on loans and other receivables** decreased by EUR 504 million from the fourth-quarter level of EUR 466 million. The first quarter included a EUR 297 million release for Greek government-guaranteed corporate exposures and the fourth quarter a release related to the Madoff files (EUR 78 million). Excluding these releases, impairment charges would have gone down by EUR 285 million as impairments are usually higher in the fourth quarter. Loan impairments on the commercial loan book are expected to increase throughout the year and to remain elevated. Impairment charges on mortgages were slightly lower compared with the previous quarter due to the revision of the IBNI in Q4 2012 as a result of deteriorating economic conditions in the Netherlands. Annualised impairment charges over the total mortgage book decreased from 25bps in Q4 2012 to 21bps in Q1 2013.

## Balance sheet

All 2012 figures have been adjusted for comparison purposes following adoption of the amended pension accounting standard (IAS 19). The impact of the amendment of IAS 19 on the 31 December 2012 disclosed figures is EUR 646 million lower other assets, EUR 508 million higher other liabilities and EUR 1,154 million lower equity.

**Statement of condensed financial position**[3]

| *(in millions)* | *31 March 2013* | *31 December 2012* |
|---|---|---|
| Cash and balances at central banks | 2,718 | 9,796 |
| Financial assets held for trading | 28,222 | 22,804 |
| Financial investments | 23,035 | 21,407 |
| Loans and receivables – banks | 57,939 | 46,398 |
| *Of which securities financing activities* | *24,621* | *14,277* |
| Loans and receivables - customers | 285,968 | 276,283 |
| *Of which securities financing activities* | *24,205* | *14,495* |
| Other | 16,367 | 17,070 |
| **Total assets** | **414,249** | **393,758** |
| | | |
| Financial liabilities held for trading | 19,767 | 18,782 |
| Due to banks | 27,172 | 21,263 |
| *Of which securities financing activities* | *8,853* | *4,360* |
| Due to customers | 236,707 | 216,021 |
| *Of which securities financing activities* | *32,249* | 15,142 |
| Issued debt | 89,089 | 94,043 |
| Subordinated liabilities | 8,775 | 9,566 |
| Other | 19,168 | 21,200 |
| **Total liabilities** | **400,678** | **380,875** |
| | | |
| Equity attributable to the owners of the parent company | 13,551 | 12,864 |
| Equity attributable to non-controlling interests | 20 | 19 |
| **Total equity** | **13,571** | **12,883** |
| | | |
| **Total liabilities and equity** | **414,249** | **393,758** |

**Main developments in total assets**
Total assets grew by EUR 20.5 billion to EUR 414.2 billion at 31 March 2013. The increase was due mainly to a client-driven increase in securities financing volumes and equity securities. Securities financing transactions dipped towards year-end 2012 due to the combined effect of traditionally lower client activity and uncertainty regarding the treatment of these transactions for calculating the leverage ratio under Basel III. Given more guidance from the Basel Committee earlier this year, client activity picked up again in the first quarter of 2013.

**Cash and balances at central banks** decreased by EUR 7.1 billion to EUR 2.7 billion, predominantly as a result of lower overnight deposits placed at De Nederlandsche Bank (DNB). Part of these deposits were used to redeem issued and subordinated debt.

[3] All 2012 figures have been adjusted for comparison purposes following adoption of the amended pension accounting standard (IAS 19)

**Financial assets held for trading** increased to EUR 28.2 billion, due mainly to higher equity positions related to the client-driven equity derivatives business and higher government bond positions resulting from the primary dealerships in Dutch government bonds. This was partly offset by lower valuation of the interest rate derivative positions. The latter two also explain the movements in **financial liabilities held for trading**.

**Loans and receivables – banks** increased by EUR 11.5 billion mainly as a result of higher securities financing client volumes (up by EUR 10.3 billion) and a rise in term deposits (for instance at the European Central Bank).

**Loans and receivables – customers** grew by EUR 9.7 billion to EUR 286.0 billion, primarily driven by an increase in client volumes in securities financing activities. Marginal growth of the commercial loan portfolio was offset by a small decrease in the mortgage portfolio. The decrease was the result of additional redemptions and lower new production. The total mortgage portfolio at 31 March 2013 was EUR 153.3 billion.

| Loans and receivables – customers | | |
|---|---|---|
| *(in millions)* | *31 March 2013* | *31 December 2012* |
| **Loans and receivables - customers other (incl. impairments)** | **261,763** | **261,788** |
| Retail Banking | 161,405 | 161,668 |
| Private Banking | 17,363 | 17,300 |
| Commercial Banking | 42,756 | 42,378 |
| Merchant Banking | 34,922 | 35,072 |
| Group Functions | 5,317 | 5,370 |
| **Securities financing activities** | **24,205** | **14,495** |
| **Total loans and receivables – customers** | **285,968** | **276,283** |

### Main developments in total liabilities

Total liabilities went up by EUR 19.8 billion to EUR 400.7 billion, mainly driven by a large increase in securities financing activities.

**Due to customers** rose by EUR 20.7 billion to EUR 236.7 billion, primarily due to increased client flow in securities financing activities (up by EUR 17.1 billion). Total client deposits grew by EUR 3.5 billion, particularly in Retail Banking in the Netherlands and in MoneYou Belgium and Germany. Merchant Banking posted a marginal deposit outflow in Q1 2013.

| Due to customers | | |
|---|---|---|
| *(in millions)* | *31 March 2013* | *31 December 2012* |
| **Total Deposits** | **204,025** | **200,541** |
| Retail Banking | 85,992 | 81,905 |
| Private Banking | 58,561 | 58,910 |
| Commercial Banking | 34,822 | 34,444 |
| Merchant Banking | 20,430 | 21,551 |
| Group Functions | 4,219 | 3,731 |
| **Other (including securities financing activities)** | **32,682** | **15,480** |
| **Total Due to customers** | **236,707** | **216,021** |

**Issued debt** decreased by EUR 5.0 billion to EUR 89.1 billion, due mainly to maturing long-term funding which was already pre-financed in 2012. Commercial Paper and Certificates of Deposit declined by EUR 1.4 billion.

**Subordinated liabilities** declined by EUR 0.8 billion as several lower Tier 2 instruments were called in March 2013.

**Total equity** grew by EUR 0.7 billion. The increase was due to the positive effect in Q1 2013 of re-measurement of the pension liability in accordance with the amended IAS19 to a pension asset (impact of EUR 0.6 billion positive) and the profit for the period. This was offset by the payment of EUR 263 million of dividend over the book year 2012 to ordinary and preference shareholders and the call of EUR 210 million of preference shares.

## Capital position

At 31 March 2013, the Basel II core Tier 1 ratio declined to 11.6% primarily due to increased RWA. The Tier 1 and total capital ratios were 12.4% and 17.4% respectively.

| Regulatory capital Basel II | | |
|---|---|---|
| *(in millions)* | *31 March 2013* | *31 December 2012* |
| **Total equity (IFRS)** | **13,571** | **12,883** |
| Participations in financial institutions | *- 330* | *- 323* |
| Other regulatory adjustments | *1,426* | *2,140* |
| **Core Tier 1 capital** | **14,667** | **14,700** |
| Innovative hybrid capital instruments | *997* | *997* |
| **Tier 1 capital** | **15,664** | **15,697** |
| Subordinated liabilities Upper Tier 2 | *176* | *183* |
| Subordinated liabilities Lower Tier 2 | *6,430* | *6,848* |
| Participations in financial institutions | - 330 | - 323 |
| Other regulatory adjustments | - 36 | - 5 |
| **Total capital** | **21,904** | **22,400** |
| **Risk-weighted assets** | **126,081** | **121,506** |
| Credit risk (RWA) | 103,655 | 100,405 |
| Operational risk (RWA) | 16,415 | 15,461 |
| Market risk (RWA) | 6,011 | 5,640 |
| **Core Tier 1 ratio** | **11.6%** | **12.1%** |
| **Tier 1 ratio** | **12.4%** | **12.9%** |
| **Total capital ratio** | **17.4%** | **18.4%** |

*Note: Core Tier 1 ratio is defined as Tier 1 capital excluding all hybrid capital instruments divided by RWA.*

### Main changes in the regulatory capital position

As the financial statements for the first quarter have not been reviewed by an auditor, the profit for the first quarter of 2013 will not be included in the regulatory capital position yet and is adjusted through other regulatory adjustments. As the half-year results will be reviewed, the result for the first half of 2013 will be included in the regulatory capital position taking into account the targeted dividend. If the profit for the first quarter had been included in the regulatory capital, it would have had a positive impact of 23bps on the capital ratios.

Furthermore, following adoption of the amended IAS19 as per 1 January 2013, DNB has decided to apply a filter effectively neutralising the impact of IAS 19 on the capital position under Basel II. This is reflected in other regulatory adjustments.

The call and coupon ban on capital instruments imposed on ABN AMRO by the European Commission in the State Aid ruling expired on 11 March 2013. As the Basel II capital eligibility for a number of lower Tier 2 instruments is declining and the instruments will not be (fully) eligible under Basel III, ABN AMRO announced in February 2013 its intention to call these instruments in the course of 2013 after expiration of the call ban. As a result, until 31 March an equivalent of EUR 0.4 billion in capital value (EUR 0.8 billion notional) has been called.

**Main changes in RWA position**

Risk-weighted assets (RWA) increased by EUR 4.6 billion to EUR 126.1 billion. The increase in **Credit risk RWA** of EUR 3.3 billion was predominantly the result of transfers of portfolios and is expected to be temporary. The increase in **operational risk RWA** is the result of the annual re-assessment. **Market risk RWA** increased due primarily to higher interest rate derivative positions.

**Basel III / CRD IV**

Application of the CRD IV rules to the capital position of 31 March 2013 would result in a phased-in Common Equity Tier 1 (CET1) ratio of 11.1%. ABN AMRO targets a long-term (2017) CET1 ratio between 11.5% and 12.5%[4].

| Regulatory capital ratios | *Basel II 31 Mar 2013* | *Basel III / CRD IV phase-in 2014[5]* | *Basel III / CRD IV fully loaded[5]* |
|---|---|---|---|
| Core Tier 1 / Common Equity Tier 1 ratio | 11.6% | 11.1% | 10.2% |
| Tier 1 ratio | 12.4% | 11.7% | 10.2% |
| Total capital ratio | 17.4% | 16.1% | 12.3% |

Basel III further proposes a leverage ratio of at least 3% by 2018. Based on regulatory guidance on the draft rules, ABN AMRO's leverage ratio was 3.1% at 31 March 2013 (down from 3.2% on 31 December 2012), using current Basel II Tier 1 capital as a basis.

## Liquidity Management & Funding

ABN AMRO raises its funding primarily through savings and deposits from R&PB and C&MB clients. At 31 March 2013, total client deposits represented 49% of the balance sheet total (year-end 2012: 51%). The ratio decreased as the increase in client deposits, particularly in Retail Banking in the Netherlands and MoneYou in Belgium and Germany, was more than offset by the balance sheet growth due to increased client-related securities financing volumes.

In the first quarter of 2013, EUR 6.4 billion long-term funding matured and a total of EUR 2.2 billion of long-term, primarily unsecured funding was issued. The average original maturity of newly issued funding in 2013 was 4.1 years. The average maturity of the outstanding long-term funding (including subordinated liabilities) increased to 4.4 years (from 4.3 years at year-end 2012) due mainly to the effect of a larger amount of funding that matured

[4] Assuming no further volatility of the pension liability after first-time adoption of the amended IAS 19 as per 1-1-2013
[5] Pro forma, based on 31 March 2013

in Q1 2013. In the remaining nine months of 2013, EUR 8.5 billion of term funding is scheduled to mature[6] (33% securitisations (incl. LT repo), 46% unsecured funding, 13% secured funding, 8% subordinated debt).

| Liquidity parameters | 31 March 2013 | 31 December 2012 |
|---|---|---|
| Loan-to-deposit ratio | 123% | 125% |
| Available liquidity buffer (in EUR billion) | 65.2 | 68.0 |

The **loan-to-deposit ratio** improved to 123% on 31 March 2013, down from 125% at year-end 2012, driven mainly by increased retail deposits.

A **liquidity buffer** of unencumbered assets has been retained as a safety cushion in the event of severe liquidity stress. The liquidity buffer decreased to EUR 65.2 billion from EUR 68.0 billion at year-end 2012. The decrease was due mainly to a decline in the cash component of the liquidity buffer as the cash was used to repay matured funding in the first quarter. This was partly offset by the higher liquidity value of retained RMBS and increased government bond positions.

## Risk management

Impairment charges and movements in the past due and impaired portfolio are a reflection of the continuing economic downturn in the Netherlands and, to a lesser extent, abroad. Consumer confidence in the Netherlands has tumbled due in part to problems in the housing market and the higher unemployment rate (although still moderate in a European perspective), which has weighed down consumer spending. These developments mainly affected the SME market (where impairment levels remained elevated), the real estate sector and, to a lesser extent, the mortgage and consumer lending portfolios.

**Residential mortgages**

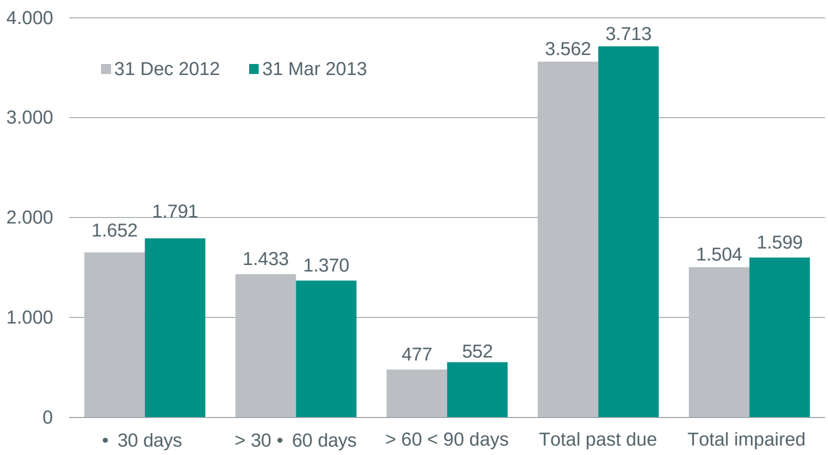
The Dutch housing market continued to slow down in the first quarter of 2013, with further declines seen in house prices (8.3%[7] in Q1 2013 compared with Q1 2012) driven by the adverse economic climate and lack of consumer confidence.

The residential mortgage portfolio decreased slightly to EUR 153.3 billion, with new production amounting to EUR 1.7 billion in the first quarter of 2013 (of which 56% were NHG[8] mortgages). At 31 March 2013, NHG mortgages comprised 23% of the total mortgage portfolio. Nearly 1 out of 5 customers made additional repayments on their mortgages in 2012. These additional repayments comprised around 10-20% of the mortgage redemptions and increased as a result of higher risk awareness among clients and low savings rates. The increase in voluntary repayments offset the impact of declining house prices on the average indexed loan-to-market value (LtMV) of the residential mortgage portfolio, which remained unchanged compared with year-end 2012 at 82%. At 31 March 2013, 21% of the outstanding mortgage volume had an LtMV above 100% (unchanged from 31 December 2012).

[6] Assumes redemption on the earliest possible call date or otherwise the legal maturity date. Early redemption of subordinated instruments is subject to the approval of the regulators.
[7] Source: Statistics Netherlands (CBS)
[8] NHG = Nationale Hypotheek Garantie (National Mortgage Guarantee scheme)

The past due (up to 90 days) and impaired (more than 90 days past due) residential mortgage portfolio increased by EUR 151 million and EUR 95 million respectively compared with year-end 2012 due to a growing number of clients facing unemployment as a result of deteriorating economic conditions in the Netherlands.

**Residential mortgage past due and impaired portfolio (in EUR million)**




ABN AMRO continues to actively manage the portfolio with a view to minimising past due inflows by proactively approaching clients with a high mortgage loan-to-value. Advice to these clients varies, ranging from higher repayments to changing a bullet mortgage to an amortising mortgage.

Furthermore, to prevent delinquencies ABN AMRO proactively offers clients budget coaching and helps them make contractual payments by, for example, extending a mortgage bridging facility or via a temporary rental. ABN AMRO also reviews the portfolio for current and potential developments that may affect the credit quality, such as the end of an interest rate re-pricing period.

### Commercial loans

The past due portfolio (including >90 days past due) of unimpaired commercial loans decreased from EUR 0.2 billion to EUR 0.1 billion at 31 March 2013.

The impaired commercial loan portfolio decreased to EUR 6.0 billion from EUR 6.4 billion at year-end 2012 due mainly to write-offs particularly in Commercial Banking. These write-offs were related to clients in the industrial goods and services sector, particularly in industrial transportation and industrial engineering. There were also several write-offs in the retail industry sector.

The coverage ratio for the total commercial loan portfolio declined to 63.7% on 31 March 2013 from 67.7% at 31 December 2012. Excluding the release of the impairment charges for Greek government-guaranteed corporate exposures, the coverage ratio amounted to 68.6%.

The SME portfolio, part of Commercial Banking, experienced further increases in impairment charges, reflecting the adverse conditions under which SME clients are currently operating.

### Real estate exposure

Dutch commercial real estate (CRE) showed value declines in Q4 2012 varying from 2.9% for offices to 0.8% for retail property[9]. Direct (rental) returns remained stable. Vacancy levels in the office market seemed to stabilise at a relatively high level of 14.5%, while vacancy levels for retail property remained at lower levels, but are rising. Demand for residential rental property remained strong among consumers and investors alike. Early indicators point to a continuation of the trends described above for Q1 2013[10].

[9] Source: IPD property index
[10] Source: ABN AMRO Research

ABN AMRO's CRE portfolio followed these general market trends. The relative under-exposure to the office and industrial segment underpin portfolio performance. At 31 March 2013, the impaired exposure on real estate amounted to EUR 722 million (EUR 696 million at 31 December 2012). Specific loan impairment charges in Q1 2013 amounted to EUR 21 million, and were predominantly taken in the area of office investment and (unsecured) land bank loans in Commercial & Merchant Banking. The coverage ratio for real estate impaired exposures at 31 March 2013 was 67.5% (31 December 2012: 65.8%).

**Update on Greek government-guaranteed corporate exposures**

Following the sale of a second tranche of the Greek government-guaranteed corporate exposures in April, the outstanding notional amount decreased to EUR 0.4 billion. As a result, the related allowances have been released. Additionally, a reassessment of the remaining exposures resulted in a partial release of the allowance for remaining exposures. The remaining exposure after impairments decreased to EUR 0.2 billion.

## Update since 31 March 2013

On 16 May, the Supervisory Board appointed Johan van Hall as the new Vice-Chairman of the Managing Board with effect from 1 June 2013. In this role he will succeed Jan van Rutte, who will retire on 1 June 2013.

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## Annex 1: Consolidated Income Statement

| **Results**[11] | | | |
|---|---|---|---|
| *(in millions)* | ***Q1 2013*** | ***Q1 2012*** | ***change*** |
| *Interest income* | *2,939* | *3,287* | *-11%* |
| *Interest expense* | *1,634* | *2,050* | *-20%* |
| Net interest income | *1,305* | *1,237* | *5%* |
| *Fee and commission income* | *640* | *656* | *-2%* |
| *Fee and commission expense* | *228* | *253* | *-10%* |
| Net fee and commission income | *412* | *403* | *2%* |
| *Net trading income* | *- 46* | *110* | |
| *Results from financial transactions* | *- 2* | *61* | |
| *Share of result in equity accounted investments* | *15* | *7* | *114%* |
| *Other income* | *25* | *97* | *-74%* |
| Operating income | 1,709 | 1,915 | -11% |
| *Personnel expenses* | *619* | *490* | *26%* |
| *General and administrative expenses* | *501* | *546* | *-8%* |
| *Depreciation and amortisation of tangible and intangible assets* | *50* | *60* | *-17%* |
| Operating expenses | 1,170 | 1,096 | 7% |
| **Operating result** | **539** | **819** | **-34%** |
| Impairment charges on loans and other receivables | - 38 | 187 | |
| **Operating profit before taxes** | **577** | **632** | **-9%** |
| Income tax expenses | 162 | 129 | 26% |
| **Profit for the period** | **415** | **503** | **-17%** |
| *Attributable to:* | | | |
| *Owners of the company* | *414* | *503* | |
| *Non-controlling interests* | *1* | *-* | |
| **Cost/income ratio** | **68%** | **57%** | |

[11] All 2012 figures have been adjusted for comparison purposes following the adoption of the amended pension accounting standard (IAS 19)

## Annex 2: Segmented results

ABN AMRO is organised into Retail & Private Banking (R&PB), Commercial & Merchant Banking (C&MB) and Group Functions. For financial reporting purposes, the Managing Board has adopted the following segment reporting: Retail Banking, Private Banking, Commercial Banking, Merchant Banking and Group Functions.

### Breakdown result of Retail & Private Banking

R&PB consists of Retail Banking and Private Banking (including ID&JG), each of which serves a different client base with a tailored proposition.

**Results R&PB[12]**

| | Retail Banking | | | Private Banking | | | R&PB Total | |
|---|---|---|---|---|---|---|---|---|
| | Q1 | Q1 | | Q1 | Q1 | | Q1 | Q1 |
| *(in millions)* | 2013 | 2012 | Change | 2013 | 2012 | Change | 2013 | 2012 |
| *Net interest income* | *709* | *641* | *11%* | *135* | *143* | *-6%* | *844* | *784* |
| *Net fee and commission income* | *112* | *119* | *-6%* | *133* | *127* | *5%* | *245* | *246* |
| *Other non-interest income* | *11* | *8* | *38%* | *11* | *27* | *-59%* | *22* | *35* |
| Operating income | 832 | 768 | 8% | 279 | 297 | -6% | 1,111 | 1,065 |
| *Personnel expenses* | *125* | *103* | *21%* | *111* | *104* | *7%* | *236* | *207* |
| *Other expenses* | *300* | *303* | *-1%* | *100* | *111* | *-10%* | *400* | *414* |
| Operating expenses | 425 | 406 | 5% | 211 | 215 | -2% | 636 | 621 |
| **Operating result** | **407** | **362** | **12%** | **68** | **82** | **-17%** | **475** | **444** |
| Loan impairments | 133 | 79 | 68% | 16 | 14 | 14% | 149 | 93 |
| **Operating profit before taxes** | **274** | **283** | **-3%** | **52** | **68** | **-24%** | **326** | **351** |
| Income tax expenses | 67 | 70 | -4% | 17 | 11 | 55% | 84 | 81 |
| **Profit for the period** | **207** | **213** | **-3%** | **35** | **57** | **-39%** | **242** | **270** |

**Other indicators**

| | Retail Banking | | | Private Banking | | | R&PB Total | |
|---|---|---|---|---|---|---|---|---|
| | Q1 | Q1 | | Q1 | Q1 | | Q1 | Q1 |
| | 2013 | 2012 | | 2013 | 2012 | | 2013 | 2012 |
| Cost/income ratio | 51% | 53% | | 76% | 72% | | 57% | 58% |
| Return on average RWA | 274 | 266 | | 135 | 160 | | 239 | 233 |
| Cost of risk (in bps) | 176 | 99 | | 62 | 39 | | 147 | 80 |

| | 31 Mar | 31 Dec | | 31 Mar | 31 Dec | | 31 Mar | 31 Dec |
|---|---|---|---|---|---|---|---|---|
| | 2013 | 2012 | Change | 2013 | 2012 | Change | 2013 | 2012 |
| Loan-to-deposit ratio | 181% | 190% | | 28% | 28% | | 121% | 123% |
| Loans and receivables customers (in billions) | 161.4 | 161.7 | 0% | 17.4 | 17.3 | 0% | 178.8 | 179.0 |
| *Of which: mortgages* | *149.9* | *150.4* | *0%* | *3.4* | *3.4* | *-1%* | *153.3* | *153.8* |
| Due to customers (in billions) | 86.0 | 81.9 | 5% | 58.6 | 58.9 | -1% | 144.6 | 140.8 |
| Risk-weighted assets (in billions) | 30.5 | 30.1 | 1% | 10.2 | 10.7 | -5% | 40.7 | 40.8 |
| FTEs (end of period) | 6,333 | 6,335 | 0% | 3,653 | 3,648 | 0% | 9,986 | 9,983 |

[12] All 2012 figures have been adjusted for comparison purposes following adoption of the amended pension accounting standard (IAS 19)

## Assets under Management developments

| *(in billions)* | *Q1 2013* | *2012* |
|---|---|---|
| **Opening Balance AuM** | **163.1** | **146.6** |
| Net new assets | - | 3.1 |
| Market Performance | 2.0 | 13.4 |
| Divestments/acquisitions | - | - |
| Other | - | - |
| **Closing Balance AuM** | **165.1** | **163.1** |

## Breakdown result of Commercial & Merchant Banking

C&MB is organised into Commercial Banking and Merchant Banking, each of which serves a different client base with tailored business propositions.

**Results C&MB**[13]

| (in millions) | Commercial Banking Q1 2013 | Commercial Banking Q1 2012 | Change | Merchant Banking Q1 2013 | Merchant Banking Q1 2012 | Change | C&MB Total Q1 2013 | C&MB Total Q1 2012 |
|---|---|---|---|---|---|---|---|---|
| *Net interest income* | 337 | 303 | 11% | 156 | 154 | 1% | 493 | 457 |
| *Net fee and commission income* | 67 | 83 | -19% | 99 | 91 | 9% | 166 | 174 |
| *Other non-interest income* | 5 | 5 | 0% | - 6 | 149 | | - 1 | 154 |
| Operating income | 409 | 391 | 5% | 249 | 394 | -37% | 658 | 785 |
| *Personnel expenses* | 78 | 69 | 13% | 78 | 66 | 18% | 156 | 135 |
| *Other expenses* | 149 | 168 | -11% | 143 | 146 | -2% | 292 | 314 |
| Operating expenses | 227 | 237 | -4% | 221 | 212 | 4% | 448 | 449 |
| **Operating result** | **182** | **154** | **18%** | **28** | **182** | **-85%** | **210** | **336** |
| Loan impairments | 117 | 83 | 41% | - 5 | 11 | | 112 | 94 |
| **Operating profit before taxes** | **65** | **71** | **-8%** | **33** | **171** | **-81%** | **98** | **242** |
| Income tax expenses | 17 | 18 | -6% | 24 | 31 | -23% | 41 | 49 |
| **Profit for the period** | **48** | **53** | **-9%** | **9** | **140** | **-94%** | **57** | **193** |

**Other indicators**

| | Commercial Banking Q1 2013 | Commercial Banking Q1 2012 | | Merchant Banking Q1 2013 | Merchant Banking Q1 2012 | | C&MB Total Q1 2013 | C&MB Total Q1 2012 |
|---|---|---|---|---|---|---|---|---|
| Cost/income ratio | 56% | 61% | | 89% | 54% | | 68% | 57% |
| Return on average RWA (in bps) | 66 | 76 | | 8 | 142 | | 31 | 115 |
| Cost of risk (in bps) | 161 | 119 | | - 4 | 11 | | 61 | 56 |
| | *31 Mar 2013* | *31 Dec 2012* | *Change* | *31 Mar 2013* | *31 Dec 2012* | *Change* | *31 Mar 2013* | *31 Dec 2012* |
| Loan-to-deposit ratio | 122% | 122% | | 162% | 155% | | 137% | 135% |
| Loans and receivables customers (in billions) | 42.8 | 42.4 | 1% | 59.1 | 49.6 | 19% | 101.9 | 91.9 |
| Due to customers (in billions) | 34.8 | 34.4 | 1% | 53.1 | 37.0 | 43% | 87.9 | 71.5 |
| Risk-weighted assets (in billions) | 29.9 | 28.8 | 4% | 45.7 | 45.5 | 0% | 75.6 | 74.3 |
| FTEs | 3,244 | 3,249 | 0% | 2,168 | 2,142 | 1% | 5,412 | 5,391 |

[13] All 2012 figures have been adjusted for comparison purposes following adoption of the amended pension accounting standard (IAS 19)

## Breakdown result of Group Functions

Group Functions supports the business segments and consists of Technology, Operations & Property Services (TOPS); Finance; Risk Management & Strategy; Integration, Communication & Compliance (ICC); Group Audit and the Corporate Office. The majority of Group Functions' costs are allocated to the businesses. Group Functions' results include the results of ALM/Treasury.

| Results Group Functions[14] | | | |
|---|---|---|---|
| *(in millions)* | *Q1 2013* | *Q1 2012* | *Change* |
| *Net interest income* | *- 32* | *- 4* | |
| *Net fee and commission income* | *1* | *- 17* | |
| *Other non-interest income* | *- 29* | *86* | |
| Operating income | - 60 | 65 | |
| *Personnel expenses* | *227* | *148* | *53%* |
| *Other expenses* | *- 141* | *- 122* | *-16%* |
| Operating expenses | 86 | 26 | |
| **Operating result** | **- 146** | **39** | |
| Impairment charges on loans and other receivables | - 299 | - | |
| **Operating profit before taxes** | **153** | **39** | |
| Income tax expenses | 37 | - 1 | |
| **Profit for the period** | **116** | **40** | |

| Other indicators | | | |
|---|---|---|---|
| | *31 Mar 2013* | *31 Dec 2012* | *Change* |
| Loans and receivables customers (in billions) | 5.3 | 5.4 | -1% |
| Due to customers (in billions) | 4.2 | 3.7 | 13% |
| Risk-weighted assets (in billions) | 9.8 | 6.4 | 53% |
| FTEs | 7,528 | 7,685 | -2% |

[14] All 2012 figures have been adjusted for comparison purposes following adoption of the amended pension accounting standard (IAS 19)

## Annex 3: Large items and divestments

**Impact of large items**

**Q1 2013**: The large items recorded in Q1 2013 totalled a positive amount of EUR 125 million net of tax.

A release of Greek impairments of EUR 223 million net of tax (EUR 297 million pre-tax) was recorded. This positive impact was offset by the negative impact of a reassessment of part of the securities financing activities conducted abroad which have been discontinued as from 2009 and an addition to the restructuring provision. The combined effect of the reassessment and the addition to the restructuring provision was negative EUR 98 million net of tax.

The addition to the restructuring provision was recorded in Group Functions and concerns a reorganisation of Commercial & Merchant Banking in order to further improve efficiency. The reorganisation is expected to lead to a reduction of approximately 400 FTEs, part of which will be realised through natural attrition and internal reallocation.

**Q1 2012**: The large items recorded in Q1 2012 totalled a positive amount of EUR 28 million net of tax. These include a positive revaluation of the Credit Umbrella, a release of a provision related to the sale of the Swiss Private Banking activities and integration costs of EUR 32 million net of tax (EUR 43 million pre-tax).

**Q4 2012**: Net profit in the fourth quarter of 2012 included several large items totalling EUR 43 million negative after tax. These include a positive revaluation of the Credit Umbrella, a release of a provision related to the sale of the Swiss Private Banking activities, small additions to the restructuring provision taken in 2011, a release of a provision related to the Madoff portfolio and integration costs of EUR 181 million net of tax (EUR 241 million pre-tax).

In addition to the large items mentioned above, Q4 2012 included the full-year charge for the Dutch bank tax of EUR 112 million. As this is a structural charge for the year, it will not be included in the large items. It does, however, distort quarter-on-quarter developments in the fourth quarter.

## Annex 4: Quarterly results

The impact of the amendment of IAS 19 on the 2012 results (lower pension expenses and higher net profit) is as follows: EUR 65 million and EUR 49 million respectively in Q1 2012, EUR 64 million and EUR 48 million respectively in Q2 2012, EUR 67 million and EUR 50 million respectively in Q3 2012 and EUR 77 million and EUR 58 million respectively in Q4. As Q4 2012 included the cost for the merger of the pension funds, the impact in this quarter differs from the rest of the year.

**Quarterly results**[15]

| *(in millions)* | *Q1 2013* | *Q4 2012* | *Q3 2012* | *Q2 2012* | *Q1 2012* |
|---|---|---|---|---|---|
| *Net interest income* | *1,305* | *1,255* | *1,258* | *1,278* | *1,237* |
| *Net fee and commission income* | *412* | *382* | *386* | *385* | *403* |
| *Other non-interest income* | *- 8* | *77* | *167* | *235* | *275* |
| Operating income | 1,709 | 1,714 | 1,811 | 1,898 | 1,915 |
| Operating expenses | 1,170 | 1,354 | 1,103 | 1,133 | 1,096 |
| **Operating result** | **539** | **360** | **708** | **765** | **819** |
| Impairment charges on loans and other receivables | - 38 | 466 | 208 | 367 | 187 |
| **Operating profit before taxes** | **577** | **- 106** | **500** | **398** | **632** |
| Income taxes | 162 | - 68 | 149 | 61 | 129 |
| **Profit for the period** | **415** | **- 38** | **351** | **337** | **503** |

[15] All 2012 figures have been adjusted for comparison purposes following adoption of the amended pension accounting standard (IAS 19)

## Annex 5: Risk tables and charts

### Financial assets past due but not impaired

| (in EUR million) | Gross carrying amount | Carrying amount of assets (not classified as impaired) | • 30 days past due | > 30 days & • 60 days past due | > 60 days & • 90 days past due | >90 days past due | Total past due but not impaired | Past due ratio |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | *31 March 2013* |
| **Loans and receivables – banks** | **57,965** | **57,941** | **-** | **-** | **-** | **-** | **-** | **0.0%** |
| Loans and receivables - customers | | | | | | | | |
| Residential mortgages[16] | 157,883 | 156,284 | 1,791 | 1,370 | 552 | - | 3,713 | 2.4% |
| Other consumer loans | 16,415 | 15,660 | 31 | 18 | 7 | 34 | 90 | 0.5% |
| **Total consumer loans[17]** | **174,298** | **171,944** | **1,822** | **1,388** | **559** | **34** | **3,803** | **2.2%** |
| Commercial loans[16] | 86,988 | 81,129 | 71 | 7 | 13 | 25 | 116 | 0.1% |
| Other commercial loans[18] | 28,540 | 28,416 | 19 | 2 | 2 | 1 | 24 | 0.1% |
| **Total commercial loans** | **115,528** | **109,545** | **90** | **9** | **15** | **26** | **140** | **0.1%** |
| Government and official institutions | 1,217 | 1,217 | - | - | - | - | - | 0.0% |
| **Total Loans and receivables - customers** | **291,043** | **282,706** | **1,912** | **1,397** | **574** | **60** | **3,943** | **1.4%** |
| Accrued income and prepaid expenses | 3,782 | 3,782 | - | - | - | - | - | 0.0% |
| **Total accrued income and prepaid expenses** | **3,782** | **3,782** | **-** | **-** | **-** | **-** | **-** | **0.0%** |
| Other assets | 4,216 | 4,206 | 71 | 6 | 1 | - | 78 | 1.9% |
| **Total** | **357,006** | **348,635** | **1,983** | **1,403** | **575** | **60** | **4,021** | **1.1%** |

[16] Carrying amount includes fair value adjustment from hedge accounting.
[17] Consumer loans in the programme lending portfolio that are more than 90 days past due are immediately impaired.
[18] Other commercial loans consist of reverse repurchase agreements, securities borrowing transactions, financial lease receivables and factoring.

## Financial assets past due but not impaired

| (in EUR million) | Gross carrying amount | Carrying amount of assets (not classified as impaired) | • 30 days past due | > 30 days & • 60 days past due | > 60 days & • 90 days past due | >90 days past due | Total past due but not impaired | Past due ratio |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | *31 December 2012* |
| **Loans and receivables - banks** | **46,426** | **46,402** | **-** | **-** | **-** | **-** | **-** | **0.0%** |
| Loans and receivables - customers | | | | | | | | |
| Residential mortgages[19] | 158,781 | 157,277 | 1,652 | 1,433 | 477 | - | 3,562 | 2.2% |
| Other consumer loans | 16,568 | 15,893 | 28 | 14 | 8 | 34 | 84 | 0.5% |
| **Total consumer loans[20]** | **175,349** | **173,170** | **1,680** | **1,447** | **485** | **34** | **3,646** | **2.1%** |
| Commercial loans[19] | 86,395 | 80,109 | 145 | 16 | 4 | 23 | 188 | 0.2% |
| Other commercial loans[21] | 18,722 | 18,602 | 10 | 1 | 1 | 2 | 14 | 0.1% |
| **Total commercial loans** | **105,117** | **98,711** | **155** | **17** | **5** | **25** | **202** | **0.2%** |
| Government and official institutions | 1,329 | 1,329 | - | - | - | - | - | 0.0% |
| **Total Loans and receivables - customers** | **281,795** | **273,210** | **1,835** | **1,464** | **490** | **59** | **3,848** | **1.4%** |
| Accrued income and prepaid expenses | 3,940 | 3,940 | - | - | - | - | - | 0.0% |
| **Total accrued income and prepaid expenses** | **3,940** | **3,940** | **-** | **-** | **-** | **-** | **-** | **0.0%** |
| Other assets | 5,328 | 5,315 | 55 | - | - | - | 55 | 1.0% |
| **Total** | **337,489** | **328,867** | **1,890** | **1,464** | **490** | **59** | **3,903** | **1.2%** |

[19] Carrying amount includes fair value adjustment from hedge accounting.
[20] Consumer loans in the programme lending portfolio that are more than 90 days past due are immediately impaired.
[21] Other commercial loans consist of reverse repurchase agreements, securities borrowing transactions, financial lease receivables and factoring.

## Impaired credit risk exposure

| (in EUR million) | 31 March 2012 | | | | | 31 December 2012 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *Gross carrying amount* | *Impaired exposures* | *Allowances for Impairments for identified credit risk* | *Coverage ratio* | *Impaired ratio* | *Gross carrying amount* | *Impaired exposures* | *Allowances for Impairments for identified credit risk* | *Coverage ratio* | *Impaired ratio* |
| **Loans and receivables - banks** | **57,965** | **24** | **- 24** | **100.0%** | **0.0%** | **46,426** | **24** | **- 24** | **100.0%** | **0.1%** |
| *Loans and receivables - customers* | | | | | | | | | | |
| Residential mortgages[22] | 157,883 | 1,599 | - 324 | 20.3% | 1.0% | 158,781 | 1,504 | - 292 | 19.4% | 0.9% |
| Other consumer loans | 16,415 | 755 | - 420 | 55.6% | 4.6% | 16,568 | 675 | - 392 | 58.1% | 4.1% |
| **Total consumer loans** | **174,298** | **2,354** | **- 744** | **31.6%** | **1.4%** | **175,349** | **2,179** | **- 684** | **31.4%** | **1.2%** |
| Commercial loans[22,23] | 86,988 | 5,859 | - 3,723 | 63.5% | 6.7% | 86,395 | 6,286 | - 4,253 | 67.7% | 7.3% |
| Other commercial loans[24] | 28,540 | 124 | - 87 | 70.2% | 0.4% | 18,722 | 120 | - 85 | 70.8% | 0.6% |
| **Total commercial loans** | **115,528** | **5,983** | **- 3,810** | **63.7%** | **5.2%** | **105,117** | **6,406** | **- 4,338** | **67.7%** | **6.1%** |
| Government and official institutions | 1,217 | - | - | | 0.0% | 1,329 | - | - | | 0.0% |
| **Total Loans and receivables - customers** | **291,043** | **8,337** | **- 4,554** | **54.6%** | **2.9%** | **281,795** | **8,585** | **- 5,022** | **58.5%** | **3.0%** |
| Accrued income and prepaid expenses | 3,782 | - | - | | 0.0% | 3,940 | - | - | | 0.0% |
| **Total accrued income and prepaid expenses** | **3,782** | **-** | **-** | | **0.0%** | **3,940** | **-** | **-** | **0.0%** | **0.0%** |
| Other assets | 4,216 | 10 | - 3 | 30.0% | 0.2% | 5,328 | 13 | - 4 | 30.8% | 0.2% |
| **Total on-balance sheet** | **357,006** | **8,371** | **- 4,581** | **54.7%** | **2.3%** | **337,489** | **8,622** | **- 5,050** | **58.6%** | **2.6%** |
| Total off-balance sheet | 103,147 | 4 | - | 0.0% | 0.0% | 106,756 | 7 | - | 0.0% | 0.0% |
| **Total credit risk exposure** | **460,153** | **8,375** | **- 4,581** | **54.7%** | **1.8%** | **444,245** | **8,629** | **- 5,050** | **58.5%** | **1.9%** |

22 Carrying amounts include fair value adjustment from hedge accounting.
23 Includes impairments on Madoff and the Greek government-guaranteed corporate exposures.
24 Other commercial loans consist of reverse repurchase agreements, securities borrowing transactions, financial lease receivables and factoring.

## Collateral & guarantees received as security of total fin. assets and comm.

| (in millions) | Carrying amount | Financial instruments | Property, plant & equipment | Master netting agreement | collateral and guarantees | Total Collateral received | Surplus collateral | Net exposure |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | 31 March 2013 |
| | | Collateral received | | | | | | |
| **Loans and receivables - banks** | **57,939** | **23,407** | **-** | **8,478** | **75** | **31,960** | **-** | **25,979** |
| *Loans and receivables - customers* | | | | | | | | |
| Residential mortgage[25] | 157,479 | 197 | 173,762 | - | 8,994 | 182,953 | 34,625 | 9,151 |
| Other consumer loans | 15,933 | 1,714 | 6,505 | - | 187 | 8,406 | 14 | 7,541 |
| **Total consumer loans** | **173,412** | **1,911** | **180,267** | **-** | **9,181** | **191,359** | **34,639** | **16,692** |
| Commercial loans[25] | 82,903 | 13,665 | 30,778 | 182 | 9,996 | 54,621 | 4,097 | 32,379 |
| Other commercial loans[26] | 28,436 | 26,621 | 2,610 | - | - | 29,231 | 1,735 | 940 |
| **Total commercial loans** | **111,339** | **40,286** | **33,388** | **182** | **9,996** | **83,852** | **5,832** | **33,319** |
| Government and official institutions | 1,217 | 23 | - | 750 | 174 | 947 | - | 270 |
| **Total Loans and receivables - customers** | **285,968** | **42,220** | **213,655** | **932** | **19,351** | **276,158** | **40,471** | **50,281** |
| Accrued income and prepaid expenses | 3,782 | - | - | - | - | - | - | 3,782 |
| **Total accrued income and prepaid expenses** | **3,782** | **-** | **-** | **-** | **-** | **-** | **-** | **3,782** |
| Other assets | 4,213 | 2 | - | 1,741 | 32 | 1,775 | - | 2,438 |
| **Total on-balance sheet** | **351,902** | **65,629** | **213,655** | **11,151** | **19,458** | **309,893** | **40,471** | **82,480** |
| Total off-balance sheet | 103,146 | 2,504 | 1,630 | - | 1,686 | 5,820 | 249 | 97,575 |
| **Total credit exposure** | **455,048** | **68,133** | **215,285** | **11,151** | **21,144** | **315,713** | **40,720** | **180,055** |

[25] Carrying amount includes fair value adjustment from hedge accounting.
[26] Other commercial loans consist of reverse repurchase agreements, securities borrowing transactions, financial lease receivables and factoring.

## Collateral & guarantees received as security of total fin. assets and comm.

| (in millions) | Carrying amount | Financial instruments | Property, plant & equipment | Master netting agreement | collateral and guarantees | Total Collateral received | Surplus collateral | Net exposure |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | *31 December 2012* |
| | | *Collateral received* | | | | | | |
| **Loans and receivables - banks** | **46,398** | **13,974** | **-** | **9,410** | **60** | **23,444** | **4** | **22,958** |
| *Loans and receivables - customers* | | | | | | | | |
| Residential mortgage[27] | 158,412 | 356 | 175,341 | - | 8,312 | 184,009 | 35,000 | 9,403 |
| Other consumer loans | 16,122 | 1,822 | 6,716 | - | 67 | 8,605 | 20 | 7,537 |
| **Total consumer loans** | **174,534** | **2,178** | **182,057** | **-** | **8,379** | **192,614** | **35,020** | **16,940** |
| Commercial loans[27] | 81,801 | 13,761 | 30,227 | 732 | 9,331 | 54,051 | 3,122 | 30,872 |
| Other commercial loans[28] | 18,619 | 17,250 | 2,537 | - | - | 19,787 | 1,811 | 643 |
| **Total commercial loans** | **100,420** | **31,011** | **32,764** | **732** | **9,331** | **73,838** | **4,933** | **31,515** |
| Government and official institutions | 1,329 | 23 | - | 810 | 209 | 1,042 | - | 287 |
| **Total Loans and receivables - customers** | **276,283** | **33,212** | **214,821** | **1,542** | **17,919** | **267,494** | **39,953** | **48,742** |
| Accrued income and prepaid expenses | 3,940 | - | - | - | - | - | - | 3,940 |
| **Total accrued income and prepaid expenses** | **3,940** | **-** | **-** | **-** | **-** | **-** | **-** | **3,940** |
| Other assets | 5,324 | 2 | - | 1,961 | 36 | 1,999 | - | 3,325 |
| **Total on-balance sheet** | **331,945** | **47,188** | **214,821** | **12,913** | **18,015** | **292,937** | **39,957** | **78,965** |
| Total off-balance sheet | 106,755 | 2,436 | 1,747 | - | 1,950 | 6,133 | 120 | 100,742 |
| **Total credit exposure** | **438,700** | **49,624** | **216,568** | **12,913** | **19,965** | **299,070** | **40,077** | **179,707** |

[27] Carrying amount includes fair value adjustment from hedge accounting.
[28] Other commercial loans consist of reverse repurchase agreements, securities borrowing transactions, financial lease receivables and factoring.

## Impaired exposures by industry sector

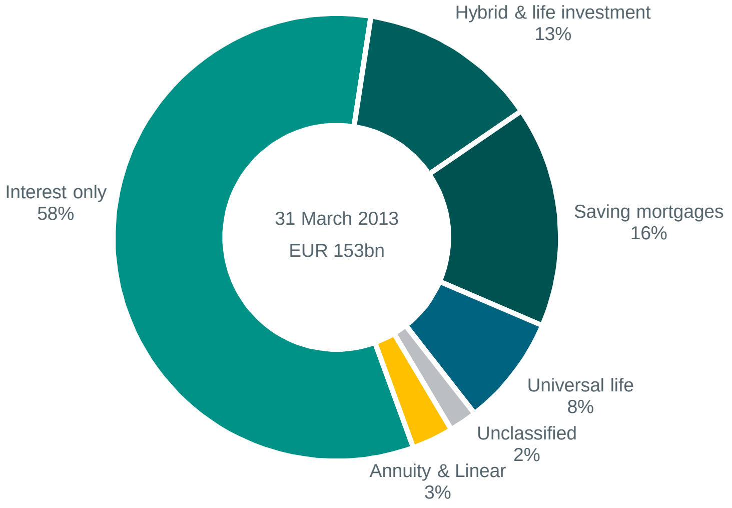
| (in millions) | 31 March 2013 Impaired exposures | 31 March 2013 Allowances for impairments for identified credit risk | 31 December 2012 Impaired exposures | 31 December 2012 Allowances for impairments for identified credit risk |
|---|---|---|---|---|
| **Industry sector** | | | | |
| Banks | 24 | - 24 | 24 | - 24 |
| Financial services[29] | 1,184 | - 1,093 | 1,237 | - 1,101 |
| Industrial goods and services | 2,102 | - 1,005 | 2,275 | - 1,422 |
| Real Estate | 722 | - 487 | 696 | - 458 |
| Oil and gas | 114 | - 113 | 106 | - 106 |
| Food and beverage | 388 | - 226 | 401 | - 203 |
| Retail | 415 | - 220 | 415 | - 231 |
| Basic Resources | 116 | - 90 | 259 | - 215 |
| Healthcare | 44 | - 19 | 43 | - 19 |
| Construction and materials | 361 | - 252 | 360 | - 247 |
| Travel and leisure | 253 | - 121 | 293 | - 136 |
| Insurance | 17 | - 12 | 14 | - 11 |
| Utilities | 11 | - 10 | 10 | - 10 |
| Other[30] | 334 | - 182 | 344 | - 197 |
| **Subtotal Industry Classification Benchmark** | **6,085** | **- 3,854** | **6,477** | **- 4,380** |
| | | | | |
| Private individuals (non-Industry Classification Benchmark) | 2,208 | - 675 | 2,095 | - 617 |
| Public administration (non-Industry Classification Benchmark) | 82 | - 52 | 57 | - 53 |
| **Subtotal non-Industry Classification Benchmark** | **2,290** | **- 727** | **2,152** | **- 670** |
| | | | | |
| **Total** | **8,375** | **- 4,581** | **8,629** | **- 5,050** |

[29] Financial services include asset managers, credit card companies and providers of personal financial services and securities and brokers.
[30] Other includes, in addition to unclassified, personal and household goods, media, technology, automobiles and parts, chemicals and telecommunication.

## Mortgages LtMV (Indexed)[31]

| (in millions) | 31 March 2013 Gross carrying amount | 31 March 2013 Percentage of total | 31 December 2012 Gross carrying amount | 31 December 2012 Percentage of total |
|---|---|---|---|---|
| NHG | 35,311 | 23% | 34,828 | 23% |
| <50% | 23,184 | 15% | 23,589 | 15% |
| 50%-60% | 9,445 | 6% | 9,627 | 6% |
| 60%-70% | 11,145 | 7% | 11,373 | 7% |
| 70%-80% | 11,257 | 7% | 11,347 | 7% |
| 80%-90% | 12,964 | 8% | 13,164 | 9% |
| 90%-100% | 14,466 | 9% | 14,612 | 9% |
| 100%-110% | 13,580 | 9% | 13,649 | 9% |
| 110%-120% | 12,692 | 8% | 13,026 | 8% |
| 120%-130% | 4,883 | 3% | 4,404 | 3% |
| >130% | 1,510 | 1% | 1,453 | 1% |
| Unclassified[32] | 2,884 | 2% | 2,803 | 2% |
| **Total** | **153,321** | **100%** | **153,875** | **100%** |

## Portfolio product split




[31] ABN AMRO calculates the Loan-to-Market Value using the indexation of the Dutch Land Registry Office (Kadaster) on a monthly basis. Savings which have been pledged by the client to repay the loan are deducted from the loan amount.
[32] The unclassified part of the portfolio comprises several smaller portfolios that are administered by external service providers. As new production will only be recorded on the internal target platform, the unclassified part is expected to decrease over time.

## Cautionary statement on forward-looking statements

We have included in this press release, and from time to time may make certain statements in our public filings, press releases or other public statements that may constitute "forward-looking statements" within the meaning of the safe harbour provisions of the United States Private Securities Litigation Reform Act of 1995. 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, this document includes forward-looking statements relating, but not limited, to ABN AMRO Group's potential exposures to various types of operational, credit and market risk, such as counterparty risk, interest rate risk, foreign exchange rate risk and commodity and equity price risk. Such statements are subject to risks and uncertainties. These forward-looking statements are not historical facts and represent only ABN AMRO Group's beliefs regarding future events, many of which, by their nature, are inherently uncertain and beyond our control.

Other factors that could cause actual results to differ materially from those anticipated by the forward-looking statements contained in this document include, but are not limited to:

- The extent and nature of future developments and continued volatility in the credit and financial markets and their impact on the financial industry in general and ABN AMRO Group in particular;
- The effect on ABN AMRO Group 's capital of write-downs in respect of credit exposures;
- Risks related to ABN AMRO Group's merger, separation and integration process;
- General economic, social and political conditions in the Netherlands and in other countries in which ABN AMRO Group has significant business activities, investments or other exposures, including the impact of recessionary economic conditions on ABN AMRO Group 's performance, liquidity and financial position;
- Macro-economic and geopolitical risks;
- Reductions in ABN AMRO's credit rating;
- Actions taken by governments and their agencies to support individual banks and the banking system;
- Monetary and interest rate policies of the European Central Bank and G-20 central banks;
- Inflation or deflation;
- Unanticipated turbulence in interest rates, foreign currency exchange rates, commodity prices and equity prices;
- Liquidity risks and related market risk losses;
- Potential losses associated with an increase in the level of substandard loans or non-performance by counterparties to other types of financial instruments, including systemic risk;
- Changes in Dutch and foreign laws, regulations and taxes;
- Changes in competition and pricing environments;
- Inability to hedge certain risks economically;
- Adequacy of loss reserves and impairment allowances;
- Technological changes;
- Changes in consumer spending, investment and saving habits;
- Effective capital and liquidity management; and
- The success of ABN AMRO Group in managing the risks involved in the foregoing.

The forward-looking statements made in this press release are only applicable as at the date of publication of this document. ABN AMRO Group does not intend to publicly update or revise these forward-looking statements to reflect events or circumstances after the date of this report, and ABN AMRO Group does not assume any responsibility to do so. The reader should, however, take into account any further disclosures of a forward-looking nature that ABN AMRO Group may make in ABN AMRO Group's reports.