HY2013 results

Analyst and Investor Call Presentation

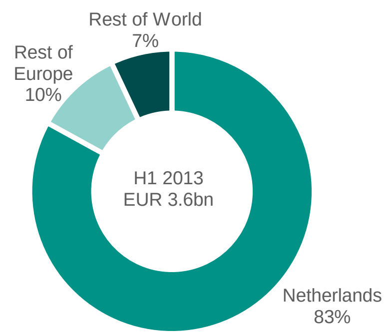
23 August 2013

Difficult half year given the challenging economic environment

Results

In EUR m	H1 2013	H1 2012	change	Q2 2013	Q1 2013
Net interest income	*2,665*	*2,515*	*6%*	*1,360*	*1,305*
Net fee and commission income	*829*	*788*	*5%*	*417*	*412*
Other non-interest income	*107*	*510*	*-79%*	*115*	*-8*
Operating income	3,601	3,813	*-6%*	1,892	1,709
Personnel expenses	*1,199*	*1,009*	*19%*	*580*	*619*
Other expenses	*1,112*	*1,220*	*-9%*	*561*	*551*
Operating expenses	2,311	2,229	*4%*	1,141	1,170
Operating result	**1,290**	**1,584**	***-19%***	**751**	**539**
Impairment charges	216	554	*-61%*	254	-38
Operating profit before taxes	**1,074**	**1,030**	***4%***	**497**	**577**
Income tax expenses	257	190	*35%*	95	162
Profit for the period	**817**	**840**	***-3%***	**402**	**415**

Operating income by geography



Key indicators

	H1 2013	H1 2012	Q2 2013	Q1 2013
Cost/income ratio	64%	58%	60%	68%
Return on average Equity	12%	12%	12%	13%
Return on average RWA (in bps)	135	137	133	137
Cost of risk (in bps) [1]	36	90	84	-13

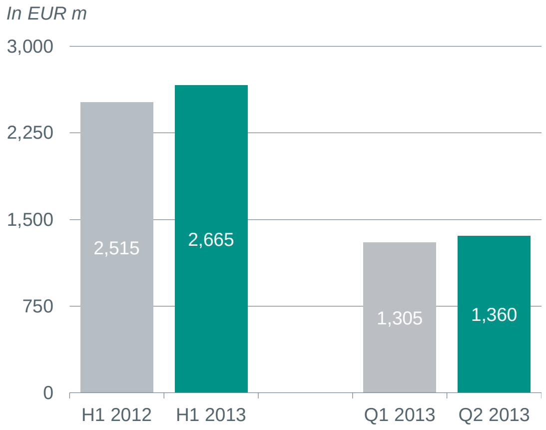
In EUR m	30 June 2013	31 Dec 2012
Core Tier 1 ratio	13.3%	12.1%
RWA / Total assets	29%	31%
Risk-Weighted Assets (in EUR bn)	115.6	121.5
Assets under Man. (in EUR bn)	164.5	163.1
FTEs (end of period)	22,788	23,059

Note(s):
2012 results have been adjusted for comparison purposes following the adoption of the amended pension accounting standard IAS 19 and will therefore differ from previously disclosed figures. In addition 2012 results are presented on a reported basis, including separation & integration costs

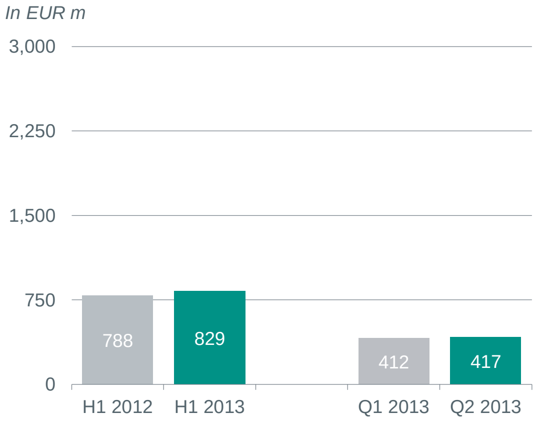
1. *Cost of risk: impairment charges over average RWA. Cost of risk H1 2013 excl. special item releases is 127bps and excludes EUR 297m impairment releases related to the sale of a part of Greek Government-guaranteed exposures and EUR 253m related to the Madoff files*

Improved interest and fee income, other non-interest income weakened

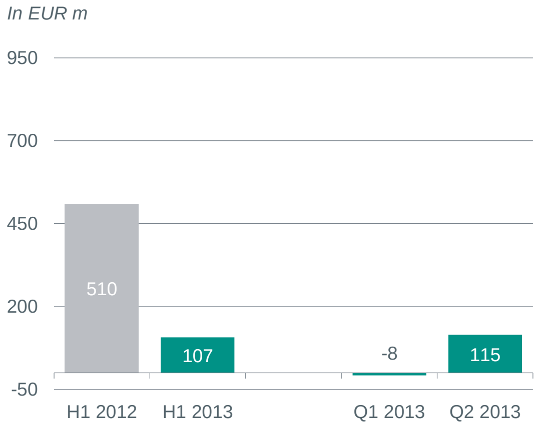
Net interest income



Fee & commission income



Other non-interest income



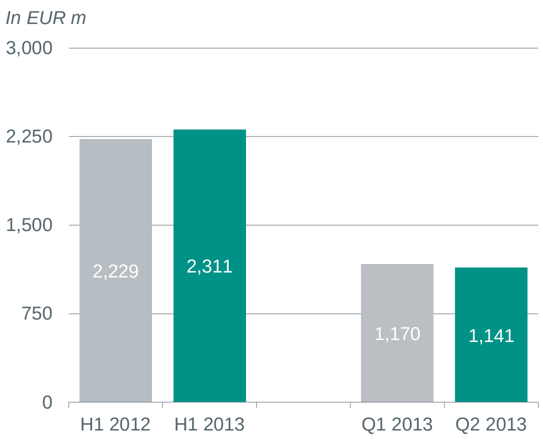
- Net interest income increased by 6% year-on-year, predominantly due to higher margins on loans
- Fee & commission income increased by 5% year-on-year as a result of increased client activity in Private Banking and higher fees within Clearing
- Other non-interest income decreased year-on-year mainly due to lower results within Markets and special items[1]
- Excl. special items operating income increased by 1%

Note(s):

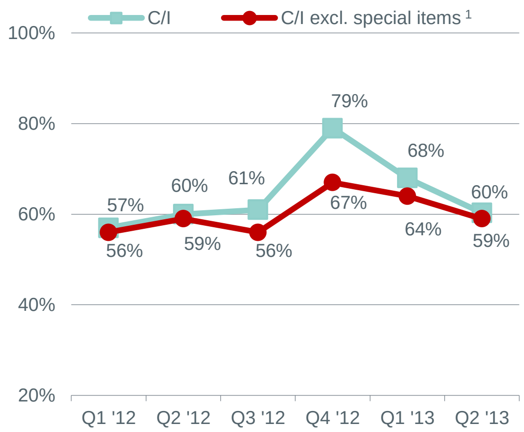
1. *"Special items" refers to items defined in the annex of the H1 2013 press release*

Cost/income further improved, loan impairments excl. special items increased

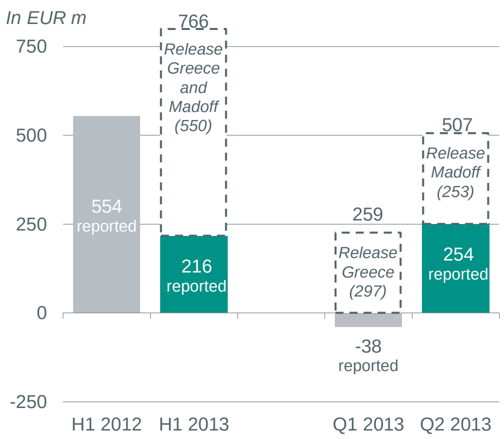
Operating expenses



Cost/income ratio



Impairment charges



- Operating expenses excl. special items[1] went up by 7% y-o-y, entirely driven by the increase in pension costs of EUR 169m due to a sharply lower discount rate used in 2013
- Cost/income ratio improved to 60% (59% excl. special items) in Q2 or 64% (61% excl. special items) for the first half year
- Impairment charges increased by 38% y-o-y, excl. the EUR 550m special item releases on Greek Government-guaranteed corporate bonds (EUR 297m) in Q1 and Madoff exposures (EUR 253m) in Q2. Impairment charges especially affected the SME loan portfolios and, to a lesser extent, the mortgage portfolio

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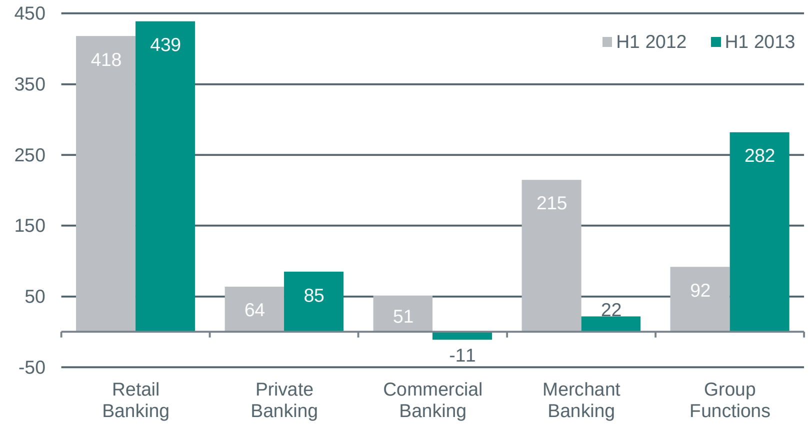
Retail banking continues to be the largest profit contributor

- **Retail Banking** net profit up by EUR 21m to EUR 439m due to a strong increase in interest income, partly offset by higher impairment charges
- **Private Banking** profit increased by EUR 22m due to lower impairments, higher net interest income and higher net fee and commission income. Costs remained under control
- **Commercial Banking** operating result showed a strong increase due to higher net interest income and lower costs. However, this was more than offset by higher impairment charges
- Net profit for **Merchant Banking** decreased by 90% partly due to special items[1] but also due to lower operating results in predominantly Markets
- **Group Functions** net results rose to EUR 282m as a result of significant special item releases on Greek and Madoff exposures, offset by a change in liquidity compensation and higher expenses

Results by segment

In EUR m



Note(s):

1. The non-client related equity derivative activities which were wound down (cost of EUR 52m pre tax) and the reassessment of discontinued securities financing activities (cost of EUR 70m pre-tax)

Balance sheet increases primarily due to securities financing

- Total assets increased by EUR 9bn, mainly due to an increase in client activity in securities financing[1]
- Financial assets held for trading increased by EUR 4bn as client positions in equity derivatives were hedged on-balance sheet rather than off-balance sheet, and higher government bond positions
- Loans and receivables customers (excluding securities financing), was largely unchanged. Marginal growth of the C&MB loan portfolio was offset by a small decrease in the mortgage portfolio
- Due to customers (excluding securities financing) increased by EUR 7bn, particularly in Retail Banking
- Issued debt decreased by EUR 6bn due mainly to maturing long-term funding, already pre-financed in 2012
- Total equity increased driven mainly by profit for the period

Balance sheet

in EUR m	30 Jun 2013	31 Dec 2012
Cash and balances at central banks	12,767	9,796
Financial assets held for trading	26,336	22,804
Financial investments	24,776	21,407
Loans and receivables - banks	41,695	46,398
of which securities financing	*19,568*	*14,277*
Loans and receivables - customers	282,039	276,283
of which securities financing	*21,378*	*14,495*
Other	14,704	17,070
Total assets	**402,317**	**393,758**
Financial liabilities held for trading	16,832	18,782
Due to banks	26,500	21,263
of which securities financing	*10,780*	*4,360*
Due to customers	232,017	216,021
of which securities financing	*24,510*	15,142
Issued debt	87,765	94,043
Subordinated liabilities	7,897	9,566
Other	17,792	21,200
Total liabilities	**388,803**	**380,875**
Total equity	**13,514**	**12,883**
Total equity and liabilities	**402,317**	**393,758**

Note(s):
1. Client flows from securities financing activities include all repo, reverse repo and securities lending and borrowing transactions and are recorded under loans and receivables-customers, loans and receivables-banks, due to customers and due to banks

Capital, Funding & Liquidity Management

Good capital base with large equity component

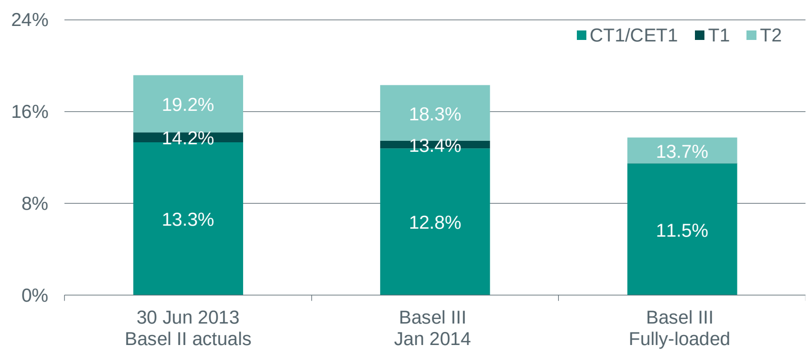
- Core Tier 1 (CT1) ratio increased to 13.3%:
  - Inclusion of retained earnings, partially offset by potential dividend 2013
  - A substantial RWA decrease
  - Effect resulting from the application of the amended IAS 19 is effectively neutralised via a regulatory filter
- Total capital ratio increased to 19.2% despite the call of T2 instruments
- RWA down by EUR 5.9bn mainly due to model migrations
- Applying the CRD IV rules to the capital position of 30 June 2013 would result in a phase-in CET1 ratio of 12.8% and 11.5% on a fully-loaded basis
- ABN AMRO targets a CET1 ratio of 11.5-12.5% per 2017
- The Basel III phase-in leverage ratio was at 3.5% and fully-loaded at 3.0%

Regulatory capital (Basel II)

In EUR m	30 Jun 2013	31 Dec 2012
Total Equity (IFRS)	**13,514**	**12,883**
Other	1,893	1,817
Core Tier 1 capital	**15,407**	**14,700**
Innovative hybrid capital	1,000	997
Tier 1 Capital	**16,407**	**15,697**
Sub liabilities Upper Tier 2 (UT2)	175	183
Sub liabilities Lower Tier 2 (LT2)	5,899	6,848
Other	-327	- 328
Total Capital	**22,154**	**22,400**
RWA Basel II	**115,625**	**121,506**
Credit risk (RWA)	92,461	100,405
Operational risk (RWA)	16,415	15,461
Market risk (RWA)	6,749	5,640
Core Tier 1 ratio	13.3%	12.1%
Tier 1 ratio	14.2%	12.9%
Total Capital ratio	19.2%	18.4%

Basel II

Basel III impact



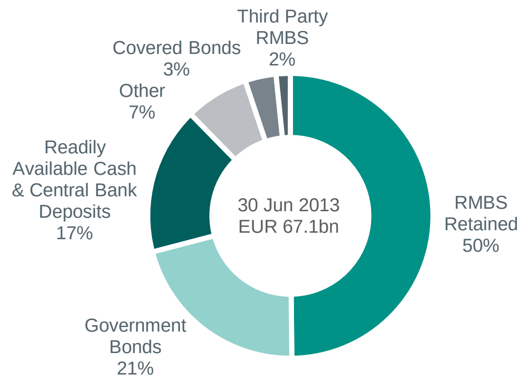
Liquidity actively managed

Liquidity parameters

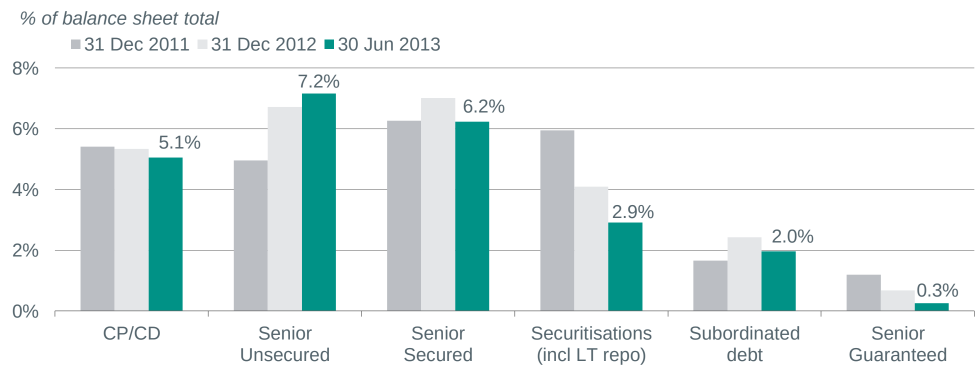
	30 Jun 2013	31 Dec 2012
Loan-to-deposit ratio (LtD)	123%	125%
Available Liquidity buffer (in EUR bn)	67.1	68.0
LCR	91%	89%
NSFR	101%	108%

- LtD ratio improved further largely due to increased client deposits
- The liquidity buffer remained more or less stable
- The LCR is targeted between 90% and 95% by the end of 2013 and compliance with an LCR of 100% as of 2014
- A total of EUR 5.8bn of mainly long-term senior unsecured funding was raised during the first half year with an average maturity of 5.4yrs leading to an average remaining maturity of outstanding long-term funding at 4.6yrs

Liquidity buffer



ST funding: 5% | LT funding: 19%



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Risk Management

Main risk parameters

Past due ratio: *Financial assets that are past due (but not impaired) as a percentage of gross carrying amount*

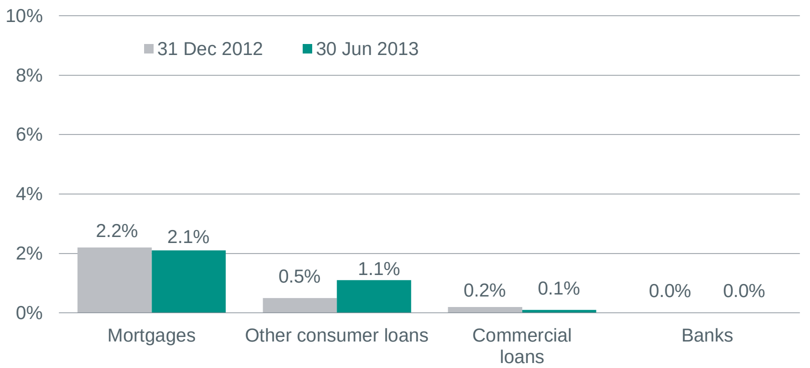
Impaired ratio: *Impaired exposures as a percentage of gross carrying amount. Mortgages that are 90+ days past due are classified as impaired exposures*

Coverage ratio: *Impairment allowances for identified credit risk as a percentage of the impaired exposures*

Collateral: *collateral as percentage of portfolio notional*

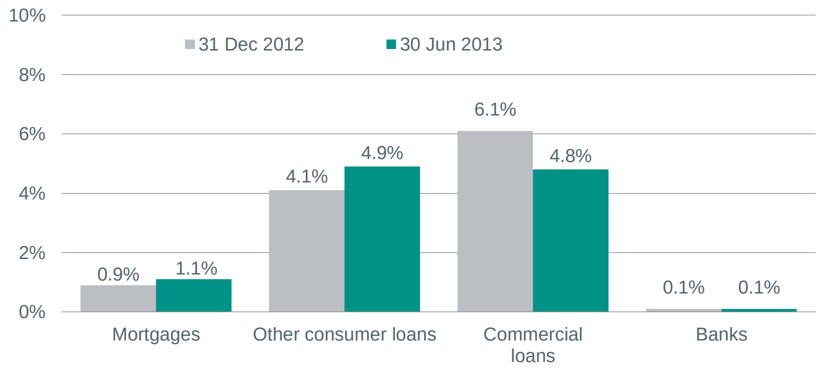
Net exposure: *uncollateralised part of the portfolio carrying amount*

Past due ratio (up to and including 90+ days)



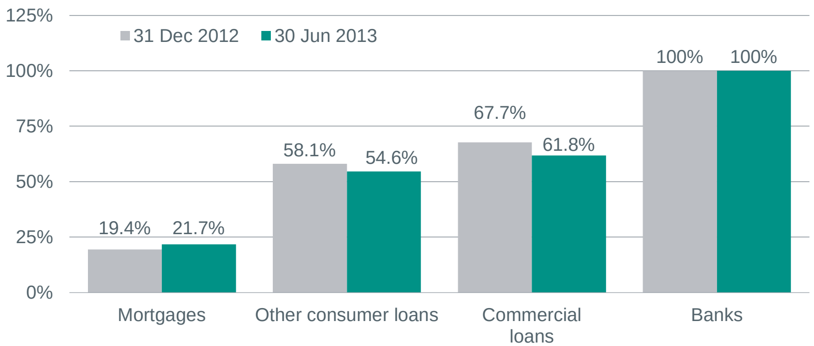
Other consumer loans increased as a result of increased unemployment; commercial loans decreased as a result of stricter management of limit excess; more detail on mortgages on next slide

Impaired ratio



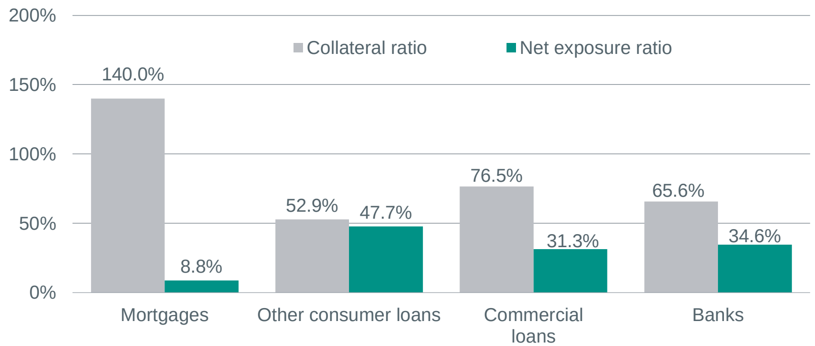
Impaired exposures increased both in mortgages and consumer loans as a result of deteriorating economic conditions in the Netherlands and decreased in commercial loans due to write-offs and special items

Coverage ratio



The coverage ratio for the on balance portfolio declined from 58.6% to 52.4% largely for commercial loans as a result of the sale of part of the Greek government-guaranteed exposures and Madoff related collateral, increased write-offs and due to the result of high inflow in FR&R of Business Banking clients with lower provision levels.

Collateral coverage and net exposure ratios 30 June 2013



Most of ABN AMRO's loan book is collateralised and only a limited part of the portfolios is uncollateralised

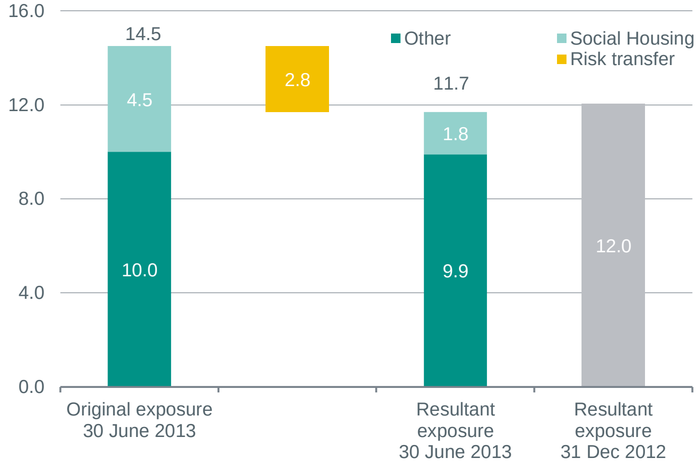
Note(s)
1. Certain loans allow 90+ days past due without any impairments taken.

Real estate

- The vast majority of investments in Dutch property, diversified across different asset types, with limited exposures to office and land banks
- Includes exposures to Social Housing (EUR 4.5bn), for a large part guaranteed by WSW (Waarborgfonds Sociale Woningbouw) (EUR 2.7bn), and to Private Banking clients, mostly for investment purposes
- The Dutch property market remained under pressure in H1 2013 with Dutch commercial real estate (CRE) showing value declines in Q1 2013 varying from 2.7% in offices to 0.9% in retail property[1]
- In H1 2013 vacancy levels in office segment were stable at 14.5% but vacancy levels in retail segment were rising[2]
- Impaired exposures on real estate amounted to EUR 730m at 30 June 2013, slightly up from EUR 696m at YE2012, with EUR 47m impairment charges taken in H1 2013

Real estate EAD

In EUR bn



Transfer of Risk is mainly related to the WSW guarantee on part of the social housing portfolio

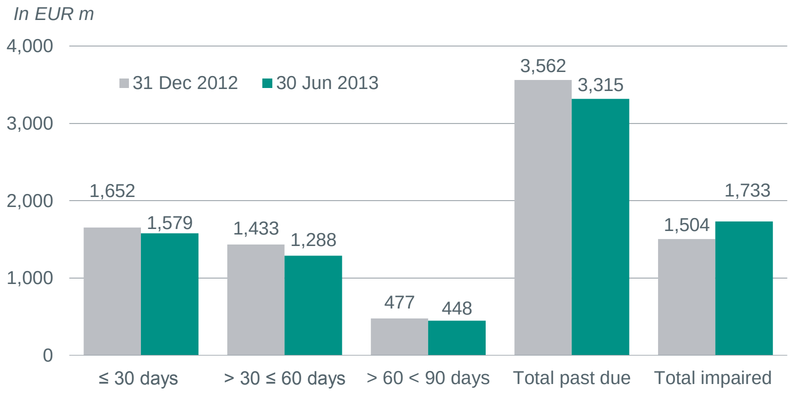
Real estate indicators

	30 Jun 2013	31 Dec 2012
EAD original obligor (EUR bn)	14.5	14.7
EAD resultant obligor (EUR bn)	11.7	12.0
Impaired ratio[3]	5.1%	4.7%
Coverage ratio	64%	66%

Note(s):
1. *Source: IPD property index*
2. *Source: ABN AMRO Research*
3. *Based on original obligor*

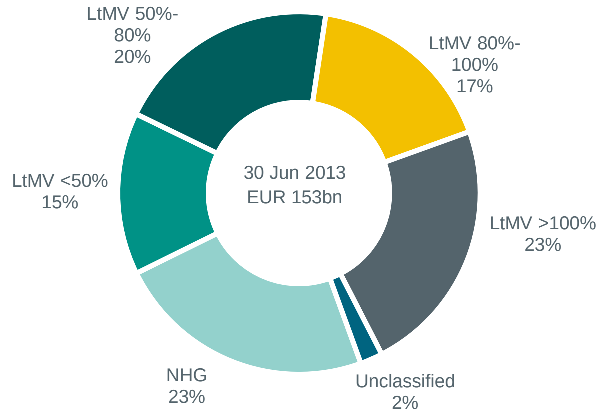
Mortgage portfolio parameters

Past due (up to 90 days) and impaired exposures



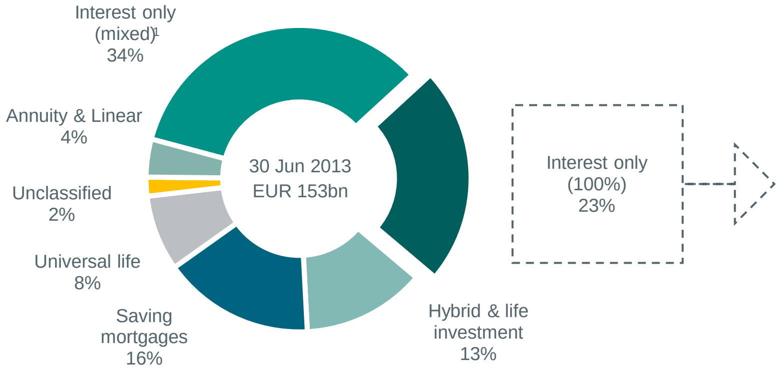
Past due exposures decreased as clients utilised holiday allowances to pay arrears. Impaired exposures increased, mainly due to a growing number of clients facing unemployment

Loan to market value (indexed) - LtMV



Increased voluntary repayments partly offset the declining house prices on the average LtMV, leading to a modest increase to 84% compared with 82% at year-end 2012

Portfolio product split



Loan to market value split for 100% interest- only:

LtMV	***30 June 2013*** *% of total mortgage book*
<50%	9%
50%-70%	7%
70%-100%	6%
> 100%	1%
Total	23%

Product split remained almost unchanged compared to year-end except for a small increase in annuity products, whereas interest-only decreased

Note(s):
1. The Interest-only (mixed) bucket include all mortgages with an interest-only portion besides a redemption portion

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