ABN AMRO Bank N.V.

Pillar 3 Report

Third quarter 2024

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Notes to the reader

This Pillar 3 Report provides the consolidated disclosures of ABN AMRO Bank N.V. required by Capital Requirements Regulation (EU) No 575/2013 on prudential requirements for credit institutions (Part Eight) and the final draft Implementing Technical Standards (ITS) on public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013. The Pillar 3 Report for the third quarter of 2024 includes an update on the quarterly required disclosures, which provide comprehensive information about risk, funding and capital management. The templates included in this Pillar 3 Report have been prepared in accordance with the abovementioned regulations.

Presentation of information

This report is presented in euros (EUR), which is ABN AMRO's functional and presentation currency, rounded to the nearest million (unless otherwise stated). Certain figures in this report may not tally exactly due to rounding. Furthermore, certain percentages in this document have been calculated using rounded figures. The figures presented in this document are not required to be, nor have they been, audited or reviewed by our external auditor. Based on the final draft ITS, this report uses the terms ‘risk-weighted assets (RWA)’ and ‘risk-weighted exposure amount (RWEA)’ interchangeably. Similarly, this report may use the terms ‘banking book’ and ‘non-trading book’ interchangeably.

Waiver policy (omitting templates and tables)

In accordance with article 432 of the CRR, ABN AMRO may omit one or more of the required disclosures where the information provided by those disclosures is not regarded as material or is not applicable to its operations. Information in disclosures is regarded as material where its omission or misstatement could change or influence the assessment or decision of a user of that information relying on it for the purpose of making economic decisions.

ABN AMRO shall, in accordance with article 432 of the CRR, explain the reasons for omitting any information required in the templates and tables included in the final draft ITS.

The following templates have been identified as not applicable to ABN AMRO and therefore not included in this report:
- **EU CCR7 – RWEA flow statements of CCR exposures under the IMM:** ABN AMRO does not use the Internal Model Method (IMM) methodology to measure the EAD for counterparty credit risk exposures. Instead, we apply the Standardised Approach for Counterparty Credit Risk (SA-CCR) to calculate the EAD for derivatives and the Financial Collateral Comprehensive Method (FCCM) method for securities financing transactions (CRR 220/222). Therefore, this template is not applicable.

Key metrics and overview of RWEA

Highlights

- The regulatory CET1 ratio under Basel III, excluding the net profit for the third quarter, was 13.8% (30 June 2024: 13.8%). In comparison with Q2 2024, the CET1 ratio remained stable as the decrease in Total Risk Exposure Amount (TREA) was offset by the decrease in CET1 capital.
- CET1 capital decreased to EUR 19.9 billion (30 June 2024: EUR 20.2 billion), mainly reflecting higher capital deductions from the IRB provision shortfall, unrealised losses for investments in debt securities due to market movements, and intangible assets and goodwill, partly offset by a lower deduction for prudential backstop.
- TREA decreased to EUR 143.8 billion (30 June 2024: EUR 146.3 billion), mainly reflecting a decrease in credit risk RWEA and to a lesser extent market risk RWEA. The decrease in credit risk RWEA was primarily driven by business developments, mainly in Clearing, and to a lesser extent data quality improvements.
- Total capital increased to EUR 28.0 billion (30 June 2024: EUR 27.0 billion), mainly due to the issuances of a EUR 750 million Tier 2 instrument and a EUR 750 million AT1 instrument.
- The leverage ratio increased to 5.4% as at 30 September 2024 (30 June 2024: 5.3%). This was primarily due to an increase of Tier 1 capital, mainly due to the EUR 750 million AT1 issuance, partly offset by the increase in on-balance sheet exposures.

EU KM1 - Key metrics template

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 any upper limit for the total distribution to shareholders of the combined cash dividend and/or share buyback amount.

The capital ratios disclosed in the Pillar 3 report exclude Q3 2024 net profit, whereas the pro-forma capital ratios in the Q3 2024 Quarterly report include the Q3 2024 net profit, after deduction of AT1 coupons, which was added to CET1 capital excluding a 50% dividend reservation. This is consistent with the approach used up to and including Q2 2024. The comparative capital ratios have not been adjusted for this revised approach as they reflected the applicable regulatory approach at the time.

On 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 regulatory reported CET1 ratio remained stable as the decrease in Total Risk Exposure Amount (TREA) was offset by a decrease in CET1 capital. TREA decreased by EUR 2.5 billion in comparison with 30 June 2024, mainly reflecting a decrease in credit risk RWEA and to a lesser extent total risk exposure for market risk. The decrease in credit risk RWEA was primarily driven by business developments, mainly in Clearing, and to a lesser extent data quality improvements. This quarter, the amount of CET1 capital decreased to EUR 19.9 billion (30 June 2024: EUR 20.2 billion), mainly reflecting higher capital deductions from the IRB provision shortfall, unrealised losses on investments in debt securities due to market movements, and intangible assets and goodwill, partly offset by a lower deduction for prudential backstop. All capital ratios were in line with the bank's risk appetite and comfortably above regulatory requirements.

(in millions)		A 30 September 2024	B 30 June 2024	C 31 March 2024	D 31 December 2023	E 30 September 2023
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	19,915	20,206	19,952	20,003	20,544
2	Tier 1 capital	23,389	22,934	22,680	21,985	22,526
3	Total capital	28,033	27,011	26,856	26,264	26,981
	Risk-weighted exposure amounts (RWEA)					
4	Total risk exposure amount	143,822	146,348	144,174	140,187	136,570
	Capital ratios (as % of RWEA)					
5	Common Equity Tier 1 ratio (%)	13.8%	13.8%	13.8%	14.3%	15.0%
6	Tier 1 ratio (%)	16.3%	15.7%	15.7%	15.7%	16.5%
7	Total capital ratio (%)	19.5%	18.5%	18.6%	18.7%	19.8%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as % of RWEA)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.25%	2.25%	2.25%	2.00%	2.00%
EU 7b	*- of which to be made up of CET1 capital (percentage points)*	*1.27%*	*1.27%*	*1.27%*	*1.13%*	*1.13%*
EU 7c	*- of which to be made up of Tier 1 capital (percentage points)*	*1.69%*	*1.69%*	*1.69%*	*1.50%*	*1.50%*
EU 7d	Total SREP own funds requirements (%)	10.25%	10.25%	10.25%	10.00%	10.00%
	Combined buffer requirement (as % of RWEA)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					
9	Institution specific countercyclical capital buffer (%)	1.73%	1.72%	0.98%	0.95%	0.95%
EU 9a	Systemic risk buffer (%)					
10	Global Systemically Important Institution buffer (%)					
EU 10a	Other Systemically Important Institution buffer	1.25%	1.25%	1.50%	1.50%	1.50%
11	Combined buffer requirement (%)	5.48%	5.47%	4.98%	4.95%	4.95%
EU 11a	Overall capital requirements (%)	15.73%	15.72%	15.23%	14.95%	14.95%
12	CET1 available after meeting the total SREP own funds requirements (%)	8.11%	7.98%	8.04%	8.18%	8.99%
	Leverage ratio					
13	Total exposure measure	436,327	430,460	435,207	412,957	433,088
14	Leverage ratio (%)	5.4%	5.3%	5.2%	5.3%	5.2%
	Additional own funds requirements to address risks of excessive leverage (as % of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)					
EU 14b	*- of which to be made up of CET1 capital (percentage points)*					
EU 14c	Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%	3.0%	3.0%
	Leverage ratio buffer and overall leverage ratio requirement (as % of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)					
EU 14e	Overall leverage ratio requirements (%)	3.0%	3.0%	3.0%	3.0%	3.0%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value-average)	90,110	91,777	95,026	97,015	99,135
EU 16a	Cash outflows - Total weighted value	95,482	95,783	96,104	96,333	97,979
EU 16b	Cash inflows - Total weighted value	30,805	30,225	29,823	29,122	28,991
16	Total net cash outflows (adjusted value)	64,677	65,558	66,281	67,211	68,988
17	Liquidity coverage ratio (%)	139%	140%	144%	144%	144%
	Net Stable Funding Ratio					
18	Total available stable funding	262,125	263,367	262,226	263,379	256,671
19	Total required stable funding	195,423	192,580	191,710	188,458	189,450
20	NSFR ratio (%)	134%	137%	137%	140%	135%

EU OV1 – Overview of total risk exposure amounts

The Total Risk Exposure Amount (TREA) 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 RWEA. The EUR 1.8 billion decrease in credit risk RWEA 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 RWEA.

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

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

		A	B	C	D	E	F
		30 September 2024		30 June 2024		31 December 2023	
	(in millions)	TREA	Total own funds requirements	TREA	Total own funds requirements	TREA	Total own funds requirements
1	**Credit risk (excluding CCR)**	**118,211**	**9,457**	**119,522**	**9,562**	**115,996**	**9,280**
2	*- of which the Standardised Approach*	*7,397*	*592*	*7,318*	*585*	*5,848*	*468*
3	*- of which the foundation IRB (F-IRB) approach*[1]	*31,016*	*2,481*	*31,344*	*2,508*	*10,848*	*868*
4	*- of which slotting approach*						
EU 4a	*- of which equities under the simple risk-weighted approach*	*2,515*	*201*	*2,536*	*203*	*2,358*	*189*
5	*- of which the advanced IRB (A-IRB) approach*	*48,756*	*3,901*	*49,028*	*3,922*	*63,895*	*5,112*
6	**Counterparty Credit Risk (CCR)**	**7,157**	**573**	**7,682**	**615**	**6,494**	**519**
7	*- of which the Standardised Approach*	*3,343*	*267*	*3,593*	*287*	*3,027*	*242*
8	*- of which internal model method (IMM)*						
EU 8a	*- of which exposures to a CCP*	*724*	*58*	*740*	*59*	*713*	*57*
EU 8b	*- of which credit valuation adjustment (CVA)*	*101*	*8*	*246*	*20*	*261*	*21*
9	*- of which other CCR*	*2,990*	*239*	*3,103*	*248*	*2,492*	*199*
15	**Settlement risk**						
16	**Securitisation exposures in the non-trading book (after the cap)**	**361**	**29**	**333**	**27**	**277**	**22**
17	*- of which SEC-IRBA approach*						
18	*- of which SEC-ERBA (including IAA)*	*63*	*5*	*60*	*5*	*47*	*4*
19	*- of which SEC-SA approach*	*298*	*24*	*273*	*22*	*230*	*18*
EU 19a	*- of which 1250%*						
20	**Position, foreign exchange and commodities risks (Market risk)**	**2,117**	**169**	**2,835**	**227**	**1,956**	**156**
21	*- of which Standardised Approach*	*2*		*2*		*2*	
22	*- of which IMA*	*2,115*	*169*	*2,833*	*227*	*1,954*	*156*
EU 22a	**Large exposures**						
23	**Operational risk**	**15,977**	**1,278**	**15,977**	**1,278**	**15,465**	**1,237**
EU 23a	*- of which basic indicator approach*						
EU 23b	*- of which Standardised Approach*	*15,977*	*1,278*	*15,977*	*1,278*	*15,465*	*1,237*
EU 23c	*- of which advanced measurement approach*						
24	**Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)**	**1,417**	**113**	**1,324**	**106**	**1,304**	**104**
29	**Total**	**143,822**	**11,506**	**146,348**	**11,708**	**140,187**	**11,215**

1. Following EBA's instructions for this template, the amount reported under F-IRB also includes Other non-credit obligation assets.

Following EBA's instructions for this template, the amount of which the advanced IRB approach is excluding Equity exposures subject to risk weights and CIU exposures subject to the fall-back approach.

Liquidity requirements

EU LIQB - Qualitative information on LCR, which complements template EU LIQ1

The consolidated LCR amounted to 139% at the end of September 2024, based on a 12-month rolling average. This is in line with the previous quarter (30 June 2024: 140%).

Concentration of funding and liquidity sources

Liquidity risks are mitigated by maintaining a sufficiently large liquidity buffer and a stable and diversified funding mix to safeguard access to liquidity at any time. ABN AMRO's main source of funding consists of client deposits and is well diversified across its client segments Personal & Business Banking, Wealth Management and Corporate Banking. The remainder of the bank's funding is raised through various long-term wholesale funding instruments. Short-term funding is raised via commercial paper and certificate of deposit programmes.

Composition of the liquidity buffer

The LCR eligible liquidity buffer (excluding retained notes) at 30 September 2024 amounted to EUR 90.1 billion, based on a 12-month rolling average, and was composed mainly of cash at central banks and government bonds. This is in line with the previous quarter (30 June 2024: EUR 91.8 billion).

Derivative exposures and potential collateral calls

To manage liquidity risk regarding derivative exposures and potential collateral calls, the bank has an adequate pool of collateral at its disposal, which is managed proactively in accordance with its collateral management framework. This enables the bank to secure payment traffic with the central bank, meet margin calls for financial markets transactions (e.g. derivatives, securities financing and clearing) and manage the liquidity buffer within the approved risk appetite.

Currency mismatch in the LCR

The bank's liquidity risk management focuses on significant currencies. The bank's significant currencies are the euro and the US dollar, given that the aggregate liabilities denominated in these currencies amount to 5% or more of the bank's total liabilities. The liquidity buffer reflects the composition of the balance sheet as it comprises cash and securities primarily in euros and secondarily in US dollars. To mitigate the risk of currency mismatches in US dollar, ABN AMRO has internal metrics and monitoring in place to ensure that the currency distribution of the liquid assets is consistent with the currency distribution of net liquidity outflows.

Other items

The EU LIQ1 template is focused on the consolidated LCR. The bank also monitors, reports and when necessary steers the LCR for subsidiaries (taking into account local regulations) and other regulatory scopes (including the sub-liquidity group scope).

EU LIQ1 - Quantitative information of LCR

		A	B	C	D	E	F	G	H
		Total unweighted value (average)				Total weighted value (average)			
		30 September 2024	30 June 2024	31 March 2024	31 December 2023	**30 September 2024**	30 June 2024	31 March 2024	31 December 2023
		Data points used in the calculation of averages				Data points used in the calculation of averages			
(in millions)		**12**	12	12	12	**12**	12	12	12
	High-quality liquid assets (HQLA)								
1	**Total high-quality liquid assets**					**90,110**	**91,777**	**95,026**	**97,015**
	Cash - outflows								
2	Retail deposits and deposits from small business customers, of which:	147,202	146,195	145,216	144,558	10,609	10,573	10,575	10,654
3	*Stable deposits*	*88,107*	*88,177*	*88,260*	*88,554*	*4,405*	*4,409*	*4,413*	*4,428*
4	*Less stable deposits*	*45,265*	*45,032*	*45,067*	*45,484*	*5,951*	*5,902*	*5,872*	*5,892*
5	Unsecured wholesale funding	108,195	109,226	110,667	113,207	56,500	56,496	56,274	56,551
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	*27,591*	*30,991*	*35,045*	*38,731*	*6,887*	*7,732*	*8,735*	*9,647*
7	*Non-operational deposits (all counterparties)*	*76,632*	*74,346*	*71,604*	*70,241*	*45,640*	*44,875*	*43,521*	*42,669*
8	*Unsecured debt*	*3,973*	*3,889*	*4,018*	*4,235*	*3,973*	*3,889*	*4,018*	*4,235*
9	Secured wholesale funding					4,430	4,597	4,923	5,134
10	Additional requirements	57,487	57,200	56,262	55,013	14,655	14,922	14,962	14,865
11	*Outflows related to derivative exposures and other collateral requirements*	*10,915*	*10,645*	*10,063*	*9,342*	*7,863*	*8,011*	*8,093*	*8,044*
12	*Outflows related to loss of funding on debt products*	*150*	*279*	*305*	*294*	*150*	*279*	*305*	*294*
13	*Credit and liquidity facilities*	*46,422*	*46,276*	*45,895*	*45,378*	*6,642*	*6,632*	*6,565*	*6,528*
14	Other contractual funding obligations	10,194	9,732	9,328	8,675	7,316	7,074	6,812	6,298
15	Other contingent funding obligations	41,668	41,399	41,771	42,250	1,972	2,120	2,558	2,832
16	**Total cash outflows**					**95,482**	**95,783**	**96,104**	**96,333**
	Cash - inflows								
17	Secured lending (e.g. reverse repos)	33,289	32,797	32,982	32,951	13,118	13,059	12,579	12,178
18	Inflows from fully performing exposures	16,872	16,319	16,150	15,317	14,070	13,532	13,550	13,111
19	Other cash inflows	11,565	11,245	11,167	11,507	3,617	3,633	3,694	3,834
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)								
EU-19b	(Excess inflows from a related specialised credit institution)								
20	**Total cash inflows**	**61,726**	**60,361**	**60,298**	**59,775**	**30,805**	**30,225**	**29,823**	**29,122**
EU-20a	*Fully exempt inflows*								
EU-20b	*Inflows subject to 90% cap*								
EU-20c	*Inflows subject to 75% cap*	*55,297*	*53,972*	*53,952*	*53,571*	*30,805*	*30,225*	*29,823*	*29,122*
	Total adjusted value								
EU-21	**Liquidity buffer**					**90,110**	**91,777**	**95,026**	**97,015**
22	**Total net cash outflows**					**64,677**	**65,558**	**66,281**	**67,211**
23	**Liquidity coverage ratio**					**139%**	**140%**	**144%**	**144%**

Credit risk

EU CR8 – RWEA flow statements of credit risk exposures under the IRB approach

As at 30 September 2024, credit risk RWEA under the IRB approach decreased to EUR 83.5 billion (30 June 2024: EUR 84.1 billion). This was mainly the result of business developments (asset size) within Clearing, and to a lesser extent asset quality improvements.

		A	B	C
		30 September 2024	30 June 2024	31 December 2023
(in millions)		**RWEA**	RWEA	RWEA
1	**RWEA as at the end of the previous reporting period[1]**	**84,086**	**81,162**	**77,588**
2	Asset size (+/-)	-619	2,247	-222
3	Asset quality (+/-)	-81	653	1,121
4	Model updates (+/-)	239		
5	Methodology and policy (+/-)		-50	
6	Acquisitions and disposals (+/-)			
7	Foreign exchange movements (+/-)	-139	74	-195
8	Other (+/-)			
9	**RWEA as at the end of the reporting period**	**83,486**	**84,086**	**78,292**

1. Following EBA's mapping for this template, the RWEA includes 'Equity IRB' (which includes IRB CIUs that receive the fall-back approach). For this reason, the CR8 RWEA does not reconcile with the credit risk RWEA reported in the EU OV1 template.

Market risk

EU MR2-B – RWEA flow statements of market risk exposures under the IMA

Market risk RWEA under the Internal Model Approach decreased from EUR 2.8 billion on 30 June 2024 to EUR 2.1 billion on 30 September 2024. The decrease is visible in the three underlying components (VaR, SVaR and IRC), and was mainly driven by the steering down of the credit trading portfolio together with the additional hedges in place.

Note that, for VaR and SVaR, the capital multipliers are 3.0 and 3.0 respectively. As a result, the 12-week average, multiplied by capital multipliers, always exceeds the latest observations. This is reflected in the regulatory adjustments.

		A	B	C	D	E	F	G	H	I	J	K
		30 September 2024							30 June 2024		31 December 2023	
(in millions)		VaR	SVaR	IRC	Compre-hensive risk measure	Other	Total RWEA	Total own funds require-ments	Total RWEA	Total own funds require-ments	Total RWEA	Total own funds require-ments
1	**RWEA at the previous quarter-end**	**600**	**1,087**	**1,147**			**2,833**	**227**	**2,449**	**196**	**2,189**	**175**
1a	*Regulatory adjustment*	*-395*	*-790*	*-251*			*-1,436*	*-115*	*-793*	*-63*	*-1,103*	*-88*
1b	*RWEA at the previous quarter-end (end of the day)*	*205*	*297*	*896*			*1,397*	*112*	*1,656*	*132*	*1,086*	*87*
2	Movement in risk levels	-88	-56	-393			-537	-43	-259	-21	-354	-28
3	Model updates/changes											
4	Methodology and policy											
5	Acquisitions and disposals											
6	Foreign exchange movements											
7	Other											
8a	*RWEA at the end of the disclosure period (end of the day)*	*117*	*241*	*503*			*860*	*69*	*1,397*	*112*	*732*	*59*
8b	*Regulatory adjustment*	*346*	*601*	*307*			*1,255*	*100*	*1,436*	*115*	*1,222*	*98*
8	**RWEA at the end of the disclosure period**	**463**	**842**	**810**			**2,115**	**169**	**2,833**	**227**	**1,954**	**156**

Disclaimer & cautionary statements

ABN AMRO has included in this document, and from time to time may make certain statements in its public statements, that may constitute “forward-looking statements”. This includes, without limitation, such statements that include the words “expect”, “estimate”, “project”, “anticipate”, “should”, “intend”, “plan”, “probability”, “risk”, “Value-at-Risk (“VaR“)”, “target”, “goal”, “objective”, “will”, “endeavour”, “outlook”, “optimistic”, “prospects“ and similar expressions or variations of such expressions. In particular, the document may include forward-looking statements relating but not limited to ABN AMRO's potential exposures to various types of operational, credit and market risk. Such statements are subject to uncertainties.

Forward-looking statements are not historical facts and represent only ABN AMRO's current views and assumptions regarding future events, many of which are by nature inherently uncertain and beyond our control. Factors that could cause actual results to deviate materially from those anticipated by forward-looking statements include, but are not limited to, macroeconomic, demographic and political conditions and risks, actions taken and policies applied by governments and their agencies, financial regulators and private organisations (including credit rating agencies), market conditions and turbulence in financial and other markets, and the success of ABN AMRO in managing the risks involved in the foregoing.

Any forward-looking statements made by ABN AMRO are current views as at the date they are made. Subject to statutory obligations, ABN AMRO does not intend to publicly update or revise forward-looking statements to reflect events or circumstances after the date the statements were made, and ABN AMRO assumes no obligation to do so.

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