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ABN AMRO BANK N.V.

REGISTRATION DOCUMENT

constituting part of any base prospectus of the Issuer consisting of separate documents within the meaning of Article 8(6) of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**")

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1. RISK FACTORS

Set out below are risk factors which could affect the future financial performance of the Issuer and thereby potentially affect the Issuer's ability to fulfil its obligations in respect of securities issued or guaranteed by it. The Issuer has described the risks relating to its operations of which it is aware and that it considers to be material.

Additional risks not currently known to the Issuer or that the Issuer now views as immaterial may also have a material adverse effect on the Issuer's future business and operating results on financial position.

Terms used herein and otherwise not defined shall have the same meaning as given to such terms in the section headed "4. *Selected Definitions and Abbreviations*".

Throughout this section the Issuer is used as a reference to the Issuer and its consolidated subsidiaries and other group companies.

(a) Risks related to the Issuer's financial situation

1. *Lack of liquidity is a risk to the Issuer's business and its ability to access sources of liquidity.*

Liquidity risk is the risk that actual (and potential) payments or collateral posting and other obligations cannot be met on a timely basis. The Issuer discerns two types of liquidity risk. Funding liquidity risk is the risk of not being able to meet both expected and unexpected current and future cash outflows and collateral needs without affecting either daily operations or the financial position of the Issuer. Market liquidity risk is the risk that the Issuer cannot sell an asset without significantly affecting the market price due to (i) insufficient market depth (insufficient supply and demand), (ii) market disruption, (iii) changes in the applicable haircuts and market value or (iv) uncertainty about the time required to realise the liquidity value of the assets. Also, the speed with which interest rates may change can cause economic concerns and market volatility hampering liquidity. See also the risk factor "2. *Volatility in, and the position of, financial markets, liquidity disruptions or market dislocations can adversely affect the Issuer's banking and funding activities*" below for other factors that also may affect Issuer's business and its ability to access sources of liquidity.

The Issuer relies on customer deposits to meet a considerable portion of its funding. As at 31 December 2022, approximately 28 per cent. of the Issuer's funding related to demand deposits. However, such deposits are subject to fluctuation due to certain factors, such as a loss of confidence, increasing competitive pressures or the encouraged or mandated repatriation of deposits by foreign wholesale or central bank depositors, which could result in a significant outflow of deposits within a short period of time which may be accelerated by the role of social media as recently experienced in the demise of certain medium-sized banks in the United States. An inability to grow, or any material decrease in, the Issuer's deposits could, particularly if accompanied by one of the other factors described above, have a material adverse effect on the Issuer's ability to satisfy its liquidity needs.

In addition to the use of deposits, the Issuer also relies on the availability of long-term and subordinated debt and short-term debt. As at 31 December 2022, approximately 17 per cent. of the Issuer's funding related to long-term and subordinated debt and short-term debt. In periods of liquidity stress the Issuer may need to seek funds from alternative sources and/or potentially at higher costs of funding than has previously been the case which may materially adversely affect the Issuer's liquidity and financial position.

2. *Conditions in the global financial markets and economy may materially adversely affect the Issuer's financial position, business and results of operations.*

The Issuer's results of operations in the past have been, and in the future may continue to be, materially affected by many factors of a global nature, including political, economic and market conditions; changes in consumer spending; investment and saving habits; monetary and interest rate policies of the European Central Bank ("ECB") and other central banks; the availability and cost of capital; the liquidity of global markets; the level and volatility of equity prices, commodity prices and interest rates; currency values and other market indices; technological changes and events; the availability and cost of credit; inflation or deflation; the stability and solvency of states,

financial institutions and other companies; investor sentiment and confidence in the financial markets; or a combination of these or other factors. These factors have in the past resulted in, or may in the future result in, a reduced demand for financial products and services, a deterioration in asset quality of the Issuer and increases in loan impairment charges. Moreover, a market downturn or a worsening of the Dutch, European or global economies may materially and adversely affect the value of the Issuer's assets, the ability of its clients to meet financial obligations and could cause the Issuer's loan impairment charges to rise, reduce the Issuer's fee and commission income and/or interest income or cause the Issuer to incur further mark-to-market losses which could have a material adverse effect on the Issuer's business, financial position and results of operation. Furthermore, factors such as political events and trends, geopolitical tensions, terrorism, armed conflicts (including the Russia/Ukraine conflict that started to escalate in February 2022 and related consequences, amongst others, for geopolitical stability, food and energy supply and prices and other scarcity and supply chain issues, and cross-border financial transactions, including as a result of economic sanctions), volatility and strength of the capital markets, pandemics and epidemics or other health emergencies all impact the business and economic environment in which the Issuer operates.

Deterioration of the economic environment, including as a result of an increase in unemployment rates and/or decreases in house prices, threaten the quality of the Issuer's loan portfolio, in particular for retail clients. There is also a possibility that the Issuer may have insufficient access to, or incur higher costs associated with, funding alternatives, which could have a material adverse effect on the Issuer's business and financial position.

3. ***Volatility in, and the position of, financial markets, liquidity disruptions or market dislocations can adversely affect the Issuer's banking and funding activities.***

Recently, global securities and other financial markets have experienced extreme volatility and disruptions, including unpredictable market movements and diminished liquidity and credit availability. These market conditions can cause a reduction in the value of assets or collateral held by the Issuer, a decline in the profitability of certain assets, an increase in unrealized losses in the Issuer's various (asset) portfolios, a reduction in unrealized gains in the Issuer's various (asset) portfolios, volatility in the composition of the Issuer's balance sheet or in the demand for some of the Issuer's banking services and products and may impede the Issuer's timely or cost-efficient access to funding on the capital markets.

In addition, under volatile market conditions, funding transactions, as well as hedging and other risk management strategies may not be as effective at mitigating trading risks as they would be under more normal market conditions. Although the Issuer uses common financial derivative measures, balance sheet steering and interest rate management as part of its risk management strategy, it may not be able to manage its exposures adequately through the use of such strategies as a result of modeling, sensitivity analysis or other risk assessment method failures or as a result of appropriate derivative products not being available.

Severe market events have historically been difficult to predict, and could lead to the Issuer realizing significant losses if extreme market events were to persist for an extended period of time. Therefore market volatility, liquidity disruptions, or dislocations could have a material adverse effect on the Issuer's banking and funding activities.

4. ***The Issuer is subject to significant counterparty risk exposure and exposure to systemic risks which may have an adverse effect on the Issuer's results.***

The Issuer's businesses are subject to general credit and country risks, including credit risks of borrowers and other counterparties. Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Issuer's businesses. Third parties that owe the Issuer money, securities or other assets may not pay or perform under their obligations. These parties include borrowers (under loans), the issuers whose securities the Issuer holds, customers, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. These parties may default on their obligations to the Issuer due to bankruptcy, lack of liquidity, downturns in the economy, financial markets or real estate values, financial distress among clients because of the rising cost of living, operational failure, failure to

sufficiently hedge interest rate changes or other reasons. Further, collateral posted may prove insufficient or inadequate. This is particularly predominant in businesses and operations of the Issuer that rely on sufficient collateral, such as in relation to its securities financing operations, asset-based financing business, clearing activities or trade and commodity finance credit portfolio.

The Issuer also has outsourcing arrangements with a number of third parties, notably in respect of IT, and certain services operations, such as cash centers, cash transportation, servicing of ATMs, and back office activities, for example in human resources operations. Accordingly, the Issuer is at risk of these third parties not delivering on their contractual obligations. There can be no guarantee that the suppliers selected by the Issuer will be able to provide the functions for which they have been contracted, either as a result of them failing to have the relevant capabilities, products or services, or due to inadequate service levels set by, or ineffective monitoring by, the Issuer.

The Issuer invests, as a part of discretionary portfolio management, client monies in third party investment funds which it does not control or it may advise the clients to do so. If these funds do not deliver adequate performance, the Issuer could face reputational damage, and, in the case of significant underperformance or fraud, clients may seek to be compensated by the Issuer.

The Issuer may see adverse changes in the credit quality of its borrowers and counterparties, for example, as a result of their inability to refinance their indebtedness, with increasing delinquencies, defaults and insolvencies across a range of sectors (such as the personal, banking and financial institution sectors) and in a number of geographies. Also, the transition to sustainability may impact the profitability and creditworthiness of the Issuer's borrowers and counterparties, for example, as a result of a potential carbon tax or higher energy prices. This may lead to further impairment charges, higher costs and additional write-downs and losses for the Issuer.

The financial and/or commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships between the institutions. As a result, concerns about, or a default, or threatened default by one institution could affect the banking system and lead to significant market-wide liquidity problems and financial losses at many financial institutions. It may even lead to further defaults of other financial institutions, which is referred to as "systemic risk". A systemic risk event may also adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, to which the Issuer is exposed. The systemic risk of the global financial industry is still at an elevated level. High sovereign indebtedness, low capital levels at many banks and the high interconnectivity between the largest banks and certain economies are important factors that contribute to this systemic risk. A default by, or even concerns about a default by, one or more financial services institutions could lead to significant systemic liquidity problems, or losses or defaults by other financial institutions may lead to material losses for the Issuer and may have an adverse effect on the Issuer's results.

5. ***The Issuer's operations and assets are located primarily in The Netherlands. Deterioration of the Dutch economic environment could have a material adverse effect on the Issuer's results of operations and financial position.***

As of 31 December 2022, approximately 86% of the Issuer's total operating income was generated in The Netherlands and a majority of its aggregate credit exposure (as measured by 'Exposure at Default') is also located in The Netherlands (approximately 77% as of 31 December 2022). Accordingly, the Issuer is largely dependent upon the prevailing economic, political and social conditions in The Netherlands, particularly those which impact the mortgage market and small and medium business enterprises. Accordingly, deterioration of the economic environment in The Netherlands could have a negative effect on the Issuer's results of operations and financial position. Efforts by the Issuer to diversify, limit or hedge its portfolio against concentration risks may not be successful and any concentration risk could increase potential losses in its portfolio; this risk is mainly manifested through business and credit risk.

Finally, while the Issuer's operations and assets are located primarily in The Netherlands, it does have a number of branches, offices, business and operations located internationally, as well as clients who operate in other jurisdictions, which exposes the Issuer to country risks in those jurisdictions. See also the risk factor "20. *The Issuer is exposed to risks relating to its existing and*

future international presence." for other risks relating to the Issuer's presence outside of The Netherlands which could have a negative effect on the Issuer's results of operations and financial position.

6. ***Reductions or potential reductions in the Issuer's credit ratings could have a significant impact on its borrowing ability and liquidity management through reduced funding capacity and collateral triggers, and on the access to capital and money markets as well as adversely affect the Issuer's business and financial position.***

Rating agencies assess the creditworthiness of the Issuer and its operating environment and assign a rating to the Issuer and some of the financial instruments it has issued. This information is available to investors, clients and counterparties of the Issuer. There can be no assurance that a credit rating agency will not downgrade or change the outlook on any such credit rating.

In addition, rating agencies may change their methodology from time to time, which may also result in a downgrade or a change in the outlook on any such credit rating.

Any downgrade or potential downgrade in the Issuer's ratings may increase its borrowing costs, require the Issuer to replace funding lost due to the (potential) downgrade (e.g., customer deposits), limit the Issuer's access to capital and money markets (because investing in the Issuer in such case will likely be considered less attractive) and trigger additional collateral requirements in derivatives contracts and other secured funding arrangements. In addition, a rating downgrade or potential downgrade of the Issuer could, among other things, limit the Issuer's opportunities to operate in certain business lines and adversely affect certain other business activities.

As a result, any reductions in the Issuer's credit ratings could have a material adverse effect on the Issuer's business, prospects, financial position, borrowing costs, ability to raise funding and capital and competitive position.

7. ***Changes in interest rates and foreign exchange rates may adversely affect the Issuer's financial position, business, results of operations and cash flows***

Fluctuations in interest rates and foreign exchange rates influence the Issuer's performance. The results of the Issuer's banking operations are affected by the Issuer's management of interest rate and foreign exchange rate sensitivity. Interest rate sensitivity refers to the relationship between changes in market interest rates and changes in net interest income. If the yield on the Issuer's interest-earning assets (including corresponding hedges) does not increase at the same time or to the same extent as its cost of funds (including corresponding hedges), or if its cost of funds does not decline at the same time or to the same extent as the decrease in yield on its interest-earning assets, the Issuer's net interest income and net interest margin may be adversely impacted. Interest rate, margin and spread changes, to the extent not hedged, may lead to mismatches in funding costs and interest income. Any of these events could have a material adverse effect on the Issuer's business, financial position and current and future cash flows.

The Issuer's business and performance are affected by prevailing interest rates and the shape of the interest rate curve. For example, interest rates began to rise in 2022 as the ECB responded to higher inflation in the wake of the war in Ukraine, ending a prolonged period of historically low interest rates (including negative interest rates, with flatter than usual interest rate curves). Despite the recent rise of interest rates, interest rates are still relatively low by historical standards and may have an adverse impact on the Issuer's business model. Managing the interest rate risk relies on passing on changes in market rates to clients. Also, a flatter than usual interest rate curve may negatively impact the Issuer's interest rate margins. It cannot be predicted what interest rates will be and what the interest rate curves will look like in the future.

Furthermore, prolonged periods of high or low inflation and/or deflation could affect client behaviour and their financial position and may thereby impact the Issuer's financial position and results of operations. Also, the inability of the Issuer to pass on the recent rise of interest rates to depositors may cause competitive pressure and result in an outflow of funding. This risk could be higher in prolonged periods of high inflation.

The main sources of interest rate risk for the Issuer is the maturity mismatch between assets and liabilities as well as client behavior. The Issuer provides mortgages and commercial loans with fixed interest terms. These assets are funded by non-maturing deposits and wholesale funding with a shorter average interest maturity than assets. In addition, client behavior determines the maturity profile of some of the Issuer's products. The Issuer uses a combination of macro and micro hedges to manage interest rate sensitivity in its banking book and keep it in line with the bank's strategy and risk appetite.

In addition, the Issuer publishes its consolidated annual financial statements in euros. Fluctuations in the foreign exchange rates used to translate other currencies into euros affect the Issuer's reported consolidated financial position, results of operations and cash flows from period to period. The Issuer also attracts its capital and funding mostly in euros, but also in a variety of other currencies. To the extent the non-euro funding is not used to provide loans in the same currency, not hedged or not adequately hedged this causes exposure to foreign exchange rate risk, which could have a material adverse effect on the Issuer's financial position, results of operations and cash flows.

8. ***The Issuer is subject to changes in financial reporting standards or policies, including as a result of choices made by the Issuer, which could materially adversely affect Issuer's reported results of operations and financial condition and may have a corresponding material adverse impact on capital ratios.***

The Issuer's consolidated financial statements are prepared in accordance with IFRS as adopted by the European Union, which is periodically revised or expanded. Accordingly, from time to time the Issuer is required to adopt new or revised accounting standards issued by recognised bodies, including the International Accounting Standards Board ("**IASB**"). It is possible that future accounting standards which the Issuer is required to adopt, could change the current accounting treatment that applies to its consolidated financial statements and that such changes could have a material adverse effect on Issuer's results of operations and financial condition and may have a corresponding material adverse effect on capital ratios. Further changes in financial reporting standards or policies, including as a result of choices made by the Issuer, could have a material adverse effect on the Issuer's reported results of operations and financial condition and may have a corresponding material adverse effect on capital ratios.

9. ***The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgements and estimates that may change over time or may ultimately not turn out to be accurate.***

The value of certain financial instruments, such as (i) financial instruments classified as 'held-for-trading' or 'designated as at fair value through income', and (ii) financial assets classified as 'available-for-sale' recorded at fair value is determined using financial models incorporating assumptions, judgements and estimates that may change over time or may ultimately not turn out to be accurate. Generally, to establish the fair value of these instruments, the Issuer relies on quoted market prices or, where the market for a financial instrument is not sufficiently active, internal valuation models that utilise observable market data.

In certain circumstances, the data for individual financial instruments or classes of financial instruments utilised by such valuation models may not be available or may become unavailable due to changes in market conditions. In such circumstances, the Issuer's internal valuation models require the Issuer to make assumptions, judgements and estimates to establish fair value. Given the nature of these instruments, these internal valuation models are complex, and the assumptions, judgements and estimates the Issuer is required to make often relate to matters that are inherently uncertain, such as expected cash flows, the ability of borrowers to service debt, residential and commercial property price appreciation and depreciation, and relative levels of defaults and deficiencies. Such assumptions, judgements and estimates may need to be updated in the face of changing facts, trends and market conditions. The resulting change in the fair values of the financial instruments has had and may have a material adverse effect on the Issuer's results of operations and financial position.

10. ***The outbreak of communicable diseases around the world may materially and adversely affect the Issuer's business, financial condition and results of operations.***

The outbreak of communicable diseases, pandemics and epidemics or health emergencies all impact the business and economic environment in which the Issuer operates. Certain of these risks are often experienced globally as well as in specific geographic regions where the Issuer does business. For example, the Corona (Covid-19) pandemic disrupted various markets and had a profound impact on people, society and on the economies affected by the outbreak. This also impacted the operational and financial performance of the Issuer and the annual financial statements for 2021 and 2022 as incorporated by reference into this Registration Document (including in relation to expected credit losses on loans and advances, fair valuation of financial instruments and impairments of goodwill and investments). There can also be no assurances that a potential tightening of liquidity conditions in the future as a result of, for example, further deterioration of public finances of certain European countries will not lead to new funding uncertainty, resulting in increased volatility and widening credit spreads. Any of the foregoing factors could have a material adverse effect on the Issuer's business, financial condition, results of operations and capital ratios.

(b) **Risks related to the Issuer's business activities and industry**

11. ***The Issuer may be subject to increases in allowances for loan losses.***

The Issuer's banking businesses establish provisions for loan losses, which are reflected in the impairment charges on financial instruments on the Issuer's income statement, in order to maintain the Issuer's allowance for loan losses at a level that is deemed to be appropriate by management based upon an assessment of prior loss experiences, the volume and type of lending being conducted by the Issuer, industry standards, past due loans, economic conditions and forecasts and other factors related to the collectability of the Issuer's loan portfolio. For 2022, the impairment charges on financial instruments amounted to EUR 39 million. Although management uses a best estimate approach to determine the allowances for loan losses, that determination is subject to significant judgment which, along with the underlying risk management models and methods could be inaccurate and the Issuer may have to increase its allowances for loan losses in the future as a result of increases in non-performing assets or for other reasons. For example, the current deteriorating macroeconomic conditions, rising interest rates, a worse-than-expected decline in house prices and an increasing risk of mortgage losses may substantially increase non-performing assets. Any increase in the allowances for loan losses, any loan losses in excess of the previously determined provisions with respect thereto or changes in the estimate of the risk of loss inherent in the portfolio of non-impaired loans could have an adverse effect on the Issuer's results of operations, profitability and financial position.

12. ***As a result of capital and/or liquidity requirements, the Issuer may not be able to manage its capital and liquidity effectively, which may adversely affect its business performance.***

Effective management of the Issuer's capital and/or liquidity is critical to its ability to operate its businesses, to grow organically and to pursue its strategy. The Issuer is required by regulators in The Netherlands, the ECB and regulators in other jurisdictions in which it undertakes regulated activities, to maintain adequate capital resources and liquidity, as such regulator may deem appropriate. The maintenance of adequate capital and liquidity is also necessary for the Issuer's financial flexibility in the face of turbulence and uncertainty in the global economy.

CRR includes a non-risk-based leverage ratio. The leverage ratio requirements were amended by CRR2, introducing, amongst others, a binding leverage ratio requirement of at least 3%. An additional leverage ratio buffer has also been applied to global systemically important institutions ("G-SIIs") since 1 January 2023. Although the Issuer does not currently qualify as a G-SII, there can be no assurance that relevant EU or Dutch policymakers or regulators will not extend the leverage ratio buffer requirement to non-G-SIIs in the future. If the Issuer were to become subject to higher leverage ratio requirements, the Issuer may be required to raise additional regulatory capital to meet the required leverage ratio. See the section "*Risk, funding & capital report*" of the Issuer's Annual Report 2022 and the quarterly report titled "Quarterly Report First quarter 2023", which have been incorporated by reference into this Registration Document, for information on the Issuer's leverage ratio as at 31 December 2022 respectively 31 March 2023. See also risk factor

"27. *The financial services industry is subject to intensive and complex regulations. Major changes in laws and regulations as well as enforcement action could adversely affect the Issuer's business, financial position and results of operations*" for other factors, such as changes in laws and regulations the Issuer is subject to, which may result in additional capital and/or liquidity requirements for the Issuer.

CRR imposes a minimum own funds requirement (Pillar 1). In addition, competent supervisory authorities as a result of the common procedures and methodologies for the supervisory review and evaluation process ("**SREP**") may require additional own funds to be maintained by a bank relating to elements of risks which are not fully covered by the Pillar 1 minimum own funds requirements ("**P1R**") (Pillar 2). A bank can be subject to (i) P1R (as referred to above), (ii) a combined buffer requirement ("**CBR**") and (iii) additional own funds requirements as a result of the SREP. In July 2016, the ECB confirmed that SREP will comprise two elements: Pillar 2 requirements (which are binding and breach of which can have direct legal consequences for banks) ("**P2R**") and Pillar 2 guidance (with which banks are expected to comply but breach of which does not automatically trigger any legal action) ("**P2G**"). Furthermore, CRD imposes a minimum CBR on top of P1R and any P2R applicable to the Issuer.

Any future changes may also require the Issuer to raise additional regulatory capital or hold additional liquidity buffers, for example as a result of different interpretations of or methods for calculating risk exposure amount, or because the Issuer does not comply with ratios and levels, or instruments and collateral requirements that currently qualify as capital or capital risk mitigating techniques no longer do so in the future. If the Issuer is unable to raise the requisite regulatory capital, it may be required to further reduce the amount of its risk exposure amount or business levels, restrict certain activities or engage in the disposition of core and other non-core businesses, which may not occur on a timely basis or at prices which would otherwise be attractive to the Issuer. In addition, if the Issuer is not able to meet the applicable CBR, this could have an adverse effect on the market's trust in the long term viability of the Issuer, which could, for example, result in liquidity outflows that could ultimately have an adverse effect on the going concern viability of the Issuer.

As a result of stricter liquidity requirements or higher liquidity buffers, the Issuer may be required to optimise its funding composition which may result in higher funding costs for the Issuer, and in having to maintain buffers of liquid assets which may result in lower returns than less liquid assets. Furthermore, if the Issuer is unable to adequately manage its liquidity position, this may prevent it from meeting its short-term financial obligations.

The variety of capital and liquidity requirements of supervisory authorities in different jurisdictions may prevent the Issuer from managing its capital and liquidity positions in a centralised manner, which may impact the efficiency of its capital and liquidity management. Also, if internal processes are not sufficiently robust, this may result in higher than strictly necessary required capital and liquidity levels and increased costs.

The above changes and any other changes that limit the Issuer's ability to manage effectively its balance sheet, liquidity position and capital resources going forward (including, for example, reductions in profits and retained earnings as a result of write-downs or otherwise, increases in risk exposure amount, delays in the disposal of certain assets or the inability to syndicate loans as a result of market conditions or otherwise) or to access funding sources, could have a material adverse impact on its financial position, regulatory capital position and liquidity provision.

13. ***Certain elements of the business model of full service banks such as the Issuer may in the mid-to longer-term become difficult to sustain.***

The Issuer is subject to a large volume of regulations that require support by a complex and expensive IT infrastructure. In addition, the Issuer is subject to high capital and liquidity requirements for generally modest-margin services. A combination of more stringent capital requirements and more onerous risk weighting, increased competition, more regulation generally, disruptive technological advances, pressure on margins, and other factors may affect the profitability of the Issuer.

If the Issuer does not manage to respond quickly and adequately to any reduced viability of parts of its business model, for example by entering new or growing existing successful business lines, then the Issuer's business might shrink and become less profitable. Full service banks may disappear with their services being taken over by businesses that are able to operate with fewer risks, a smaller infrastructure, with lower capital and with less regulation. It is possible also that certain elements of the business model of full service banks will not prove viable over time as a result of which full service banks will focus on a part of their current value chain only which may affect the profitability of the Issuer.

14. ***The Issuer operates in markets that are highly competitive. If the Issuer is unable to perform effectively, its business and results of operations will be adversely affected.***

There is substantial competition for the types of banking and other products and services that the Issuer provides in the regions in which the Issuer conducts large portions of its business, especially in The Netherlands. The competition for some of these products and services consists of traditional large banks, smaller banks, insurance companies, niche financial companies, non-financial companies that offer credit and savings products (such as car lease companies), as well as new entrants and parties that develop new business models, such as payment service providers, new mobile payment systems, mobile wallets, crowd funding and other financial technology (Fintech) initiatives. In other international markets, the Issuer faces competition from the leading domestic and international institutions active in the relevant national and international markets.

A different form of competition comes from technology firms and other new entrants, which are not subject to the same regulatory controls imposed on banks (including the costs associated therewith) and have already entered parts of the traditional banking value chain. Commoditisation of mass market segments as a result of new technology results in fiercer competition and pressure on margins. For example, the entry into force of PSD 2 increases the number of new entrants into the payments market, which affects competition and increases the variety of payment services available (including the provision of third party access to parties other than banks).

Furthermore, the Issuer also faces and may continue to face competition from competitors with respect to attracting capital or funding from its retail, private and corporate clients and/or investors, in particular, if the Issuer is not able to pass on the market interest rate increases to depositors. Competition may cause increases in funding costs which may not be recoverable from borrowers and could therefore result in declining margins which would materially and adversely affect the Issuer's profitability and financial performance.

Competitive pressures could result in increased pricing pressures on a number of the Issuer's products and services, higher capital or funding costs or could result in loss of market share and may harm the Issuer's ability to maintain or increase profitability.

15. ***The Issuer depends on the accuracy and completeness of information about customers and counterparties and itself. The Issuer's business operations require meticulous documentation, recordkeeping and archiving.***

In deciding whether to extend credit or enter into other transactions with customers and counterparties, the Issuer may rely on information furnished to the Issuer by or on behalf of the customers and counterparties, including financial statements and other financial information. The Issuer also may rely on the audit report covering those financial statements. The Issuer's financial position and results of operations could be materially and adversely affected by relying on such information or on financial statements that do not comply with generally accepted accounting principles or that are materially misleading. If information about clients and counterparties turns out to be materially inaccurate, incomplete or misleading, this could lead to fines or regulatory action, violation of rules and regulations, engagement in incorrect commercial transactions.

The Issuer is also responsible for performing know your customer checks to prevent tax evasion or avoidance. However, it may not be apparent to the Issuer whether a client is engaged in tax evasion, because of the complex structure of many of these transactions. Tax evasion or avoidance by the client may be attributed to the Issuer even though it has not actively assisted clients in tax evasion or avoidance if the Issuer fails to adequately satisfy its know your customer obligations. Failure to manage tax risks could lead to reputational damage or regulatory fines and penalties.

Also, the Issuer has a monitoring duty in relation to transactions outstanding, including on client positions being either in-the-money or out-of-the-money, or the amount having been borrowed by clients being lower or higher than the value of property or security or the corresponding derivative. Monitoring a large number of different products, including discontinued products that are still outstanding, is complex and it could become more difficult or even impossible if the Issuer should fail to properly document transactions or archive documentation. The risk is further exacerbated by the increased use of technology and modern media for interacting with clients. Employees may take client orders in violation of policies, including taking orders over a mobile telephone line which conversations are not recorded or it may prove impossible or very difficult to find the relevant discussion from among a large number of recordings.

The Issuer's business operations require meticulous documentation, recordkeeping and archiving. Incomplete documentation, documentation not properly executed by counterparties, inadequate recordkeeping or archiving, and/or the loss of documentation could materially adversely affect the Issuer's business operations in a number of ways. In addition, if legal acts or transactions are not properly documented or the paperwork is inadequately stored, this could lead to failure to comply with legal and regulatory requirements on administrative and other record keeping requirements, delays in accessing data required to comply with regulatory requests and requirements, inability to and for making the right commercial decisions and could have an impact on providing information or evidence in regulatory and other investigations, procedures or litigation in which the Issuer may be involved.

Management requires adequate information about the Issuer, its clients and counterparties and about the state of financial markets and market data in order to make appropriate and informed commercial and strategic decisions. If management data on the Issuer's credit portfolios is inadequate or incorrect, this could lead to the Issuer exceeding its concentration risk guidelines and incurring more risk than would be prudent or than is permitted pursuant to applicable rules and regulations. Similarly, if, as happened in certain instances regarding savings mortgages sold, changes in the products the Issuer offers are not properly processed a mismatch may occur between the amount due at maturity and the amount saved by the client. This may lead to claims for compensation against the Issuer and could have a material adverse effect on the Issuer's business, results of operations and reputation.

16. ***The Issuer is subject to operational risks that could adversely affect its business.***

The Issuer is exposed to many types of operational risk, being the risk of loss resulting from inadequate or failed internal processes, and systems, or from external events. Categories of risks identified by the Issuer as operational risks are: client, product and business practices, execution, delivery and process management, technology and infrastructure failures, malicious damage (terrorism), disasters and public safety and employee practices and workplace safety. This includes the risk of internal and external fraud, crime, cybercrime or other types of misconduct by employees or third parties, unauthorized transactions by employees and operational errors, including clerical or record keeping errors or errors resulting from faulty computer, information technology or telecommunications systems, all of which could have a material adverse effect on the Issuer's business, reputation, results of operations, financial condition and prospects. In the area of payments, over the past several years the Issuer has been subject to cybercrime fraud in the form of phishing and malware. The Issuer believes that there is a growing threat of attacks on information technology systems from individuals and groups via the internet, including the IT systems of the Issuer that contain client and Issuer information and transactions processed through these systems.

Complex IT infrastructure

Operating the IT landscape is a core part of the Issuer's activities. The Issuer's current IT infrastructure is complex. This results in data quality issues, high maintenance cost and necessitates manual actions in day-to-day processes, but more importantly reduces the agility for responding quickly to market trends and new innovations, which could have a material adverse effect on the Issuer's business and reputation.

Disruptions of the Issuer's operating systems

The Issuer may also be subject to disruptions of the Issuer's operating systems, arising from events that are wholly or partially beyond the Issuer's control (including, for example, computer viruses, DDoS attacks, hacks, data leaks or electrical or telecommunication outages), which may give rise to losses in service to customers and to loss or liability to the Issuer, including potentially large costs to both rectify the issue and possibly reimburse losses to the client, and could have a material adverse effect on the Issuer's results of operations, financial condition and prospects. The Issuer is further exposed to the risk that external vendors may be unable to fulfill their contractual obligations to the Issuer, and to the risk that their business continuity and data security systems prove to be inadequate, which could have a material adverse effect on the Issuer's financial position and reputation.

Data quality

Also, the quality of data available to management may, at times, be insufficient or the data might not be available in a timely fashion. This may cause management to make improper decisions which in turn could influence the Issuer's results of operations or financial position adversely. Furthermore, the Issuer faces the risk that the design of the Issuer's controls and procedures prove to be inadequate or are circumvented. Technological efficiency and automation is an important factor for the control environment of the Issuer. Inadequate technology in the control environment may, for example, lead to delayed or late detection or reporting, or no detection or reporting at all, of errors, fraud, incidents, risks or the materialization thereof, which may lead to losses, fines, claims, regulatory action and reputational damage for the Issuer.

Reliance on third party service providers

The Issuer also makes use of IT applications hosted by and stores data, such as for example the Issuer's HR data, with third party service providers. ABN AMRO relies on third parties in connection with its IT and market infrastructure such as Equens, Euroclear, SWIFT and exchanges. Failure of these third party service providers could lead to interruptions in the business operations of ABN AMRO and of services offered or information provided to clients. Such failures could also prevent ABN AMRO from serving clients' needs in a timely manner. For example, for many if not most of its own and its clients' payments, the Issuer relies on SWIFT. Any disruption due to the failure by third party service providers could have a material adverse effect on the Issuer's financial position, business and reputation.

Subject to strict rules, critical client data is stored in applications of third parties and some third party providers have access to, or are given, privacy sensitive client or employee information. The Issuer is subject to regulations that control the flow of information such as privacy laws and the passing on of price sensitive information. As a result, information about the Issuer, its clients or its employees that is made intentionally, unintentionally or unlawfully public by employees, contractors or personnel seconded to the Issuer, including employees of third party suppliers, could lead to regulatory sanctions, breaches of privacy rules, confidentiality undertakings and other legal and contractual obligations, possibly resulting in claims against the Issuer and a loss of trust in the Issuer. In addition, leaked information may be used against the interests of the Issuer, its clients or its employees, including in litigation and arbitration proceedings. Any such risks materializing could have a material adverse effect on the Issuer's financial position, business and reputation.

The Issuer's business relies heavily on such IT systems (including the IT systems used by the external vendors of the Issuer) and is therefore particularly exposed to operational risks relating to such systems. Any such risks materializing may significantly adversely affect the Issuer's financial position and reputation.

17. ***The Issuer's risk management methods may leave the Issuer exposed to unidentified, unanticipated or incorrectly quantified risks, which could lead to material losses or material increases in liabilities (tail risk).***

Although the Issuer uses various models, duration analysis, scenario analysis and sensitivity analysis as well as other risk assessment methods, there remains a risk that such risk management techniques and strategies may not be fully effective in mitigating the Issuer's risk exposure in all economic market environments or against all types of risk, including risks that the Issuer fails to identify or anticipate. Some of the Issuer's tools and metrics for managing risk are based upon the

use of observed historical market behavior. The Issuer applies statistical and other tools to these observations to arrive at quantifications of risk exposures. These tools and metrics may fail to predict future risk exposures. The Issuer's losses, thus, could be significantly greater than the Issuer's measures would indicate. In addition, the Issuer's quantified modelling may not take all risks into account. The Issuer's more qualitative approaches to managing risks takes into account a broader set of risks, but is less precise than quantified modelling and could prove insufficient. Unanticipated or incorrectly quantified risk exposures could result in material losses in the Issuer's banking businesses.

18. ***The financial services industry is increasingly subject to ESG laws and regulations. Failure to comply with these laws or regulations or to meet ESG targets could adversely affect the Issuer's business, financial position and results of operations as well as its reputation. ESG risks may have a potential impact on risk profile of the Issuer's clients and counterparties, which may have an adverse effect on the Issuer's business, financial position and results of operations as well its reputation.***

Increasingly, governments and regulators are intensifying focus on environmental, social and governance ("ESG") laws and regulations and are adopting ESG strategies. Significant ESG related laws and regulations for EU banks were recently introduced and further laws and regulations are expected. The timing and full impact of these new laws and regulations cannot be determined yet and are beyond the Issuer's control. For further information on these ESG related laws and regulations the Issuer is or will become subject to, see chapter "*The Issuer – 1.3 Regulation*".

The implementation of new ESG regulation is a continuous process and will require periodic reassessments. This could significantly impact the manner in which the Issuer operates and could adversely affect the Issuer's business, financial position and results of operations, as well as its reputation. For example, changes in government policies, societal expectations and investor preferences could present the Issuer with a material business risk in, for example, carbon-intensive sectors in the medium and long term.

Stakeholders (such as customers, employees, investors, regulators, rating agencies and environmental or social organisations) are increasingly expecting banks to transition to sustainability and meet its ESG objectives. For example, Friends of the Earth Netherlands (*Milieudefensie*), a Dutch environmental organisation, sent a letter to ABN AMRO in January 2022 in which it requested ABN AMRO to prepare a climate plan. ABN AMRO published its climate plan in December 2022. No assurance can be given that the Issuer will meet its ESG objectives or that stakeholder expectations will be met. The Issuer may need significant time to adapt, validate and audit its processes and systems to facilitate the sourcing of data to determine the extent to which the Issuer and its clients' activities are sustainable. Any failure, delays or errors in implementing or complying with ESG laws and regulations, objectives and disclosure requirements could lead to fines and other regulatory measures or other legal actions or litigation, all potentially restricting the Issuer's business. Non-compliance with ESG laws and regulations, objectives and disclosure requirements could also cause negative publicity, have a material adverse effect on the Issuer's reputation and may impact the Issuer's perceived sustainability.

Developments in the field of ESG could also adversely impact the risk profiles of the Issuer's clients and counterparties, which may have an adverse effect on the Issuer's business, financial position and results of operations as well its reputation. For example, as a result of natural disasters, draughts, a potential carbon tax or higher energy prices a client's creditworthiness may substantially deteriorate or the value of a counterparty's collateral may substantially decrease. This could lead to, for example, higher impairment charges, higher costs and additional write-downs and losses for the Issuer.

19. ***The Issuer's clearing business may be subject to regulatory actions and fines or may incur losses that could materially and adversely affect the Issuer's financial condition and results of***

operations, prospects and financial condition as well as materially and adversely affect the Issuer's reputation.

The Issuer's subsidiary ABN AMRO Clearing Bank N.V. ("**ABN AMRO Clearing**") is a global clearing firm and plays a leading role as a systemically relevant participant in the financial market infrastructure on various exchanges, trading venues and on the over-the-counter markets.

In accordance with applicable rules, ABN AMRO Clearing contributes to the default fund of the central counterparties ("**CCPs**") of which it is a clearing member. The default fund can be used in case of default by another clearing member of such a CCP. ABN AMRO Clearing may be requested to provide additional contributions to a CCP default fund in the event that this default fund is not sufficient to cover the default of another clearing member. Furthermore, ABN AMRO Clearing is exposed to counterparty risk in respect of each CCP to which ABN AMRO Clearing is a clearing member. A default by various other clearing members or a CCP itself could impact market circumstances and may therefore also materially and adversely affect the value of collateral held by ABN AMRO Clearing. Any default or other failure by a clearing member or a CCP could materially affect ABN AMRO Clearing's results of operations, prospects and financial condition and thereby the Issuer's results of operations, prospects and financial condition.

ABN AMRO Clearing's business operates on the basis of extensive and complex IT systems. If these systems fail to operate properly, resulting in for example trades not being settled or not being settled in a timely manner or over-the-counter transactions not being concluded in time, it could result in substantial losses for ABN AMRO Clearing as well as a potential loss of opportunity for its clients. ABN AMRO Clearing has in the past incurred and risks incurring in the future regulatory fines related to failures in the proper operation of IT systems, regardless of whether these were caused by failure of an ABN AMRO Clearing system or a third party system. As a result, the Issuer could also suffer reputational damage.

ABN AMRO Clearing offers its clients global execution services. Any breaches by clients or by ABN AMRO Clearing itself of applicable laws, rules and regulations, including market abuse prohibitions and regulatory reporting obligations may result in regulatory actions taken against or fines being imposed on ABN AMRO Clearing. ABN AMRO Clearing has in the past incurred and risks incurring in the future regulatory fines in this regard. Furthermore, if a client fails to perform its obligations under any contract entered into in the name of ABN AMRO Clearing, ABN AMRO Clearing may be held liable. ABN AMRO Clearing may fail to effectively perform pre-trade and post-trade controls, to exercise timely risk-monitoring and transaction surveillance or to employ a kill-switch device or to perform regulatory reporting obligations. This risk is particularly relevant in respect of clients who employ their own trading or order systems instead of ABN AMRO Clearing's infrastructure. Although ABN AMRO Clearing may have recourse on its clients for any of such breaches or non-performance, there remains a risk that ABN AMRO Clearing is not able to fully recover amounts paid. Client conduct may therefore have a material adverse effect on ABN AMRO Clearing's, and thereby the Issuer's, reputation, results of operations and its financial condition.

Although ABN AMRO Clearing uses internal risk management methods and models for calculating its exposure to its clients, it could incur losses if the risk management methods and models used turn to be inadequate.

ABN AMRO Clearing seeks to mitigate its exposure to clients through the maintenance of collateral, including for client positions that ABN AMRO Clearing finances. Often, collateral consists of cash or financial instruments, the value of which may fluctuate in very short periods of time. Therefore, ABN AMRO Clearing applies a haircut, the level of which is dependent on the volatility and liquidity of the underlying collateral. A change in the value of the collateral will be absorbed by the haircut but may nonetheless result in ABN AMRO Clearing holding insufficient collateral. ABN AMRO Clearing can accordingly be exposed to credit risk on its clients. Furthermore, if a client's collateral becomes insufficient, ABN AMRO Clearing may not be able to immediately take remedial action, which may result in increased damages. If ABN AMRO Clearing does take remedial action, especially in the case of large sudden price movements, it may face a claim from its client. If a client goes bankrupt or becomes insolvent, ABN AMRO Clearing may become involved in disputes and litigation with the client's bankruptcy administrator or may become involved in regulatory investigations. This could increase ABN AMRO Clearing's

operational and litigation costs and may result in losses which can materially and adversely affect ABN AMRO Clearing's, and thereby the Issuer's, reputation, financial condition and results of operations.

Under CRD competent supervisory authorities may, as a result of the SREP, require additional capital to be maintained by ABN AMRO Clearing relating to elements of risks which are not or not fully covered by the Pillar 1 minimum own funds and CBR.

The analysis of whether a clearing member has become party to one or more financial instruments as a result of the client clearing transactions is complex and is further complicated by the pace of change in the market around the global clearing processes. This involves among other things the assessment of recognition of derivatives as well as the possible subsequent derecognition or offsetting of positions. Any changes to the accounting treatment of exchange traded derivatives ("ETDs") could have a material impact on ABN AMRO Clearing's balance sheet, profitability and financial condition and could, as a consequence, have an impact on the Issuer.

20. ***The Issuer is exposed to risks relating to its existing and future international presence.***

The Issuer is exposed to risks relating to its existing international presence as it has a number of subsidiaries, branches, (representation) offices, businesses and operations located outside The Netherlands and clients which operate internationally. For example, this could expose the Issuer to sanctions risk (such as the current sanctions on trade with Russia). A materialisation of these risks relating to the Issuer's international presence or the Issuer's internationally operating clients may materially and adversely affect the Issuer's reputation and may limit the Issuer's ability to pursue its international presence in regions where it currently operates or where it may wish to operate in the future and accordingly have a material and adverse effect on the Issuer's business, results of operations and prospects. See also the risk factor "5. *The Issuer's operations and assets are located primarily in The Netherlands. Deterioration of the Dutch economic environment could have a material adverse effect on the Issuer's results of operations and financial position.*" for other risks relating to the Issuer's presence in and outside The Netherlands which could have a material adverse impact on the Issuer's results of operations and financial positions.

If the Issuer is unable to upstream capital and liquidity, including from local deposits, or has to fund itself locally, this might give rise to inefficiencies and increased costs. Furthermore, local registration or license requirements can vary for different types of investors and services. As long as ABN AMRO is not locally registered or obtained a licence, restrictions might apply with respect to marketing activities. ABN AMRO risks incurring regulatory fines if it breaches any local requirements and such breach may have a material and adverse impact on the Issuer's reputation.

21. ***Due to public pressure and perceived infringements of privacy law, the Issuer may be precluded as a practical matter from implementing business models based on analysis and use of client generated data.***

Due to public pressure and perceived infringements of privacy law, the Issuer may be precluded as a practical matter from implementing business models based on analysis and use of client generated data. In recent years, financial institutions, including the Issuer, have attempted to introduce and explore the potential for introduction of new business models in which client behaviour is analyzed – often if not always on an anonymous basis – to allow commercial use of this data by the financial institution or by third parties on a free or paid basis. Clients whose data the Issuer analyses and uses may deem the Issuer to be infringing requirements and such complaints could lead to broader calls opposing the implementation of this type of new business model, which may cause harm to the Issuer's reputation. If the Issuer were to be precluded from developing and implementing new business models based on the use and analysis of client data, this could have a material and adverse effect on its business operations and competitiveness with a material and adverse effect on the Issuer's business, results of operations and financial condition.

22. ***If the Issuer is unable to successfully implement its strategy, or if its strategy does not yield the anticipated benefits, or if the Issuer is unable to successfully pursue targeted business***

opportunities, this could have a material and adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

The Issuer aims to achieve its strategy on the basis of three pillars customer experience, sustainability and a future-proof bank. The strategy and targets of the Issuer (such as the nearly completed wind-down of the Corporate & Institutional Banking ("CIB") non-core portfolio) are based on assumptions and expectations, including but not limited to macro-economic developments, interest rates, revenue, expenses and cost of risk, that may not prove valid. Also, the benefits and impact of the Issuer's strategy and targets could fall short of what the Issuer envisages. The Issuer may, in addition, not succeed in achieving its targets, because of insufficient management attention, incorrect decisions or choices, inefficiencies or other reasons.

The Issuer may spend substantial time, money and other resources developing new products and services or improving offerings. If these products, services or improved offerings are not successful or not as innovative as envisaged, the Issuer may miss a potential market opportunity and not be able to offset the costs of such initiatives, which may have a materially adverse effect on the Issuer's income, revenue and/or cost base.

If the Issuer's strategy is not implemented successfully, or if the Issuer's strategy does not yield the anticipated benefits or if the Issuer is unable to successfully launch new products or services, improve offerings or pursue other business opportunities in time or at all, this could have a material and adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

23. *The Issuer can be forced, upon a change of control over the Issuer or NN Group N.V., to buy shares it does not yet own in Dutch insurance business ABN AMRO Verzekeringen. If this risk were to materialise, the Issuer could be forced to pay a currently unknown purchase price that would likely be material, the Issuer would be required to consolidate ABN AMRO Verzekeringen into its financial statements, which may have material adverse consequences for the Issuer's capital and liquidity ratios, and any potential losses incurred by ABN AMRO Verzekeringen would from then on be entirely for the account of the Issuer.*

The Issuer holds a non-controlling 49% interest in ABN AMRO Verzekeringen. NN Group N.V. ("NN") holds the remaining 51% interest in this joint venture. Upon a change of control in the Issuer, NN has the right to request that the Issuer buys its shares in ABN AMRO Verzekeringen at a price to be determined pursuant to a mechanism provided for in the relevant shareholders' agreement. The current ultimate holding company of the Issuer is NL Financial Investments ("NLFI"). A change of control includes a disposal by NLFI as a result of which NLFI would no longer hold a majority interest in the Issuer.

The purchase price that the Issuer would have to pay for NN's 51% interest cannot currently be determined, but it is likely to be material. As a result of the forced acquisition of the NN interest, the Issuer would hold 100% of ABN AMRO Verzekeringen. This would require the Issuer to consolidate ABN AMRO Verzekeringen into its financial statements, which could adversely affect the Issuer's financial condition and results of operations, for example as a result of lower capital and liquidity ratios. In such event, if ABN AMRO Verzekeringen were to suffer significant losses, for example because of unexpected large claims in relation to insurance mis-selling or otherwise, the Issuer might be forced to recapitalise ABN AMRO Verzekeringen, which could have a material adverse effect on the Issuer's business, financial condition and its results of operations. Because it would then own 100%, the amounts involved would be remarkably higher as would have been the case if it still held 49%. See also the risk factor "28. *The Issuer is exposed to regulatory scrutiny and potentially significant claims for violation of the duty of care owed by it to clients and third parties*" for other risks relating to ABN AMRO Verzekeringen that may have a material adverse effect on the Issuer. Currently, ABN AMRO Verzekeringen benefits from certain know-how and product development provided by NN. If NN decides to sell its shares to the Issuer, it might no longer provide this type of technical assistance. Finally, if NN were to leave the joint venture, certain key personnel might decide to leave ABN AMRO Verzekeringen as well, which could have a material adverse effect on the Issuer's business and results of operations.

(c) **Legal and regulatory risk**

24. ***The regulatory environment to which the Issuer is subject is complex and gives rise to significant legal and financial compliance costs, and non-compliance could result in monetary and reputational damages, all of which could have a material adverse effect on the Issuer's business, financial position and results of operations.***

The financial services industry continues to be the focus of significant regulatory scrutiny in many of the countries in which the Issuer operates. This has led to a more intensive approach to supervision and oversight, increased expectations, enhanced requirements and enforcement, and an increasing frequency and amount of data requests and visits from competent supervisory authorities. This has in general led to more regulatory investigations and enforcement actions as well as an increase in the number of fines. The Issuer will also need to continue monitoring compliance of products and services that the Issuer no longer offers, which may be more complex than for products and services that are currently offered. If the Issuer is unable to obtain, retain and commit sufficient resources for regulatory compliance, this could lead to delays and errors, and may force it to choose between prioritising compliance matters over administrative support for business activities, or may ultimately force the Issuer to cease the offering of certain products or services.

For further information on legal and regulatory laws and regulation the Issuer is subject to, see chapter "*The Issuer — 1.3 Regulation*" and see also the risk factor "*27. The financial services industry is subject to intensive and complex regulations. Major changes in laws and regulations as well as enforcement action could adversely affect the Issuer's business, financial position and results of operations*".

Any delays or errors in implementing regulatory compliance could lead to substantial monetary damages and fines, loss of significant assets, public reprimands, a material adverse effect on the Issuer's reputation, regulatory measures in the form of cease and desists orders, fines, increased regulatory compliance requirements or other potential regulatory restrictions on the Issuer's business, enforced suspension of operations and in extreme cases, withdrawal of licences or authorisations to operate particular businesses, or criminal prosecution in certain circumstances. In addition to non-compliance by the Issuer itself, the Issuer has in the past suffered and may in the future suffer negative consequences of non-compliance by its clients that have direct access to its systems. The Issuer may also suffer negative consequences of clients operating businesses or schemes in violation of applicable rules and regulations whose activities the Issuer could be held to monitor and, where applicable, to denounce or to interrupt. The Issuer may be required to make greater expenditures and devote additional resources and management time to addressing these liabilities and requirements, which could have an adverse effect on the Issuer's business, financial position and results of operations.

Regulatory changes and any other present or future changes that could limit the Issuer's ability to manage effectively its balance sheet, liquidity position and capital resources (including, for example, reductions in profits and retained earnings, increases in risk-weighted assets, delays in the disposal of certain assets or the inability to provide loans as a result of market conditions), to access funding sources or access funding sources at a higher cost could have a material effect on its business, financial condition and results of operations.

The regulatory environment to which the Issuer is subject is complex and gives rise to significant legal and financial compliance costs, which could have an adverse effect on the Issuer's business, financial position and results of operations.

25. ***The rules on anti-money-laundering, anti-bribery, tax, anti-corruption and international sanctions are complex and failure to comply could lead to fines or harm the Issuer's reputation and could disrupt the Issuer's business and result in a material adverse effect on the Issuer's business, financial position and results of operations.***

Combating money laundering, bribery and terrorist financing, tax evasion and corruption and the enforcement of compliance with economic sanctions has been a major focus of government policy relating to financial institutions in recent years (most notably for the Issuer's operations in the United States, the European Union and Asia). The applicable rules are complex and the Issuer may violate anti-money laundering ("**AML**") and counter terrorism financing rules and regulations for

failure to properly identify and verify the identification of clients (including whether such client is subject to sanctions), determine a client's source of funds or the reason for the banking relationship.

In April 2021, ABN AMRO accepted a settlement with the Netherlands Public Prosecution Service ("**NPPS**") for shortcomings in the bank's anti-money laundering activities (the "**AML Settlement**"). During the investigation, the NPPS found serious shortcomings in ABN AMRO processes to combat money laundering, such as the client acceptance, transaction monitoring and client exit processes, in The Netherlands in the period from 2014-2020. As a result, in certain instances, clients were able to abuse ABN AMRO accounts. As part of the AML Settlement, the bank agreed to pay EUR 480 million. Please see the settlement agreement and the statement of facts and conclusions of the NPPS for more information in the section entitled "*Documents Incorporated by Reference*". ABN AMRO was informed that an individual filed a complaint against the AML settlement between the NPPS and ABN AMRO and that the complaint has been denied by the court of appeals.

In response to the shortcomings discussed above and in order to address increasingly strict regulations and continuously evolving forms of financial crime, ABN AMRO decided to centralise the execution of all AML activities in October of 2018, bolstering AML capabilities and enabling further specialisation and knowledge sharing across the bank. ABN AMRO set up a bank-wide AML programme and made substantial additional resources available for investments in staff, systems and processes. The Dutch Central Bank is informed about the progress of the remediation programme and is closely monitoring the progress. By the end of December 2022, the total number of full-time employees involved in AML was over 4,000 FTE. The AML remediation programme is expected to be finalised in 2023.

Even though the entering into the settlement agreement has resolved the criminal investigation against the Issuer by the NPPS for the period from 2014 up to and including the date of the settlement agreement, certain residual risks still remain. For example, other regulatory authorities might start their own investigations into the matter or other parties (such as investors) may bring claims against the Issuer (for example for compensation of alleged damages) as a result of the events that occurred.

The extra-territorial reach of U.S. and EU regulations in respect of economic sanctions requires the Issuer to establish effective controls and procedures in order to prevent violations of United States and EU sanctions against designated countries, individuals, entities and others. The Issuer's operations and the products and services it offers bring it within the scope of these sanctions regimes. The imposition of any further sanctions could have a material adverse effect on Issuer's operations and the products and services it offers in relation to affected regions.

Failure by the Issuer to implement and maintain adequate programmes to combat money laundering, bribery and terrorist financing, tax evasion and corruption or to ensure economic sanctions compliance could lead to fines or harm the Issuer's reputation and could disrupt the Issuer's business and result in a material adverse effect on the Issuer's business, financial position, results of operations and prospects. See the chapter "*The Issuer – 1.4 Legal and arbitration proceedings – Dutch public prosecutor investigation*".

With respect to certain countries and territories, such as Iran, North Korea, Syria, Russia, the Crimean peninsula and the Donetsk and Luhansk regions in Ukraine, amongst others, the U.S. State Department, the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**"), the U.S. Commerce Department and the European Union have issued restrictive measures and trade embargoes which together form a complex set of economic restrictions. A financial institution, such as the Issuer, found to have engaged in specified activities involving targeted countries, regimes, organizations or individuals could become subject to various types of monetary penalties or sanctions, including (but not limited to) denial of U.S. bank loans, restrictions or a prohibition on its ability to open or maintain correspondent or payable-through accounts with U.S. financial institutions, and the blocking of its property within U.S. jurisdictions.

26. ***Failure by the Issuer to retain and attract qualified employees and senior management due to, amongst others, restrictions on employee compensation and the tight labour market may adversely affect the Issuer's business and performance.***

The Issuer relies upon the knowledge and talent of its employees to successfully conduct its operations. The Issuer's success has depended, and will continue to depend, in substantial part upon its ability to attract and retain highly skilled and technically qualified managers and employees. There is significant competition for qualified managers and employees from within the Issuer's industry as well as from businesses outside the Issuer's industry. A loss of senior management or other key personnel to the Issuer's competitors or otherwise could have a material adverse effect on its results of operations, financial condition and cash flows in future periods.

Employees are one of the Issuer's most important resources and competition for qualified employees is intense. In order to attract and retain qualified employees, the Issuer seeks to compensate such employees at market levels.

Under European and Dutch law, remuneration of employees active in the financial sector is restricted, for example, by certain bonus caps for employees of a Dutch financial institution. Furthermore, Dutch law includes certain prohibitions on any variable remuneration (effectively a bonus prohibition) for certain employees of Dutch financial institutions that have received a form of state aid (such as the Issuer). As a result of this prohibition, members of the Executive Board as well as certain categories of senior management are not permitted to receive any variable remuneration or increases in the base salary other than increases reflecting collective adjustments, such as increases based on collective labour agreements.

The financial industry may encounter additional restrictions on employee compensation, or employee compensation may be made subject to special taxation, which could have an adverse effect on the Issuer's ability to hire or retain the most qualified employees and senior management in the future. Furthermore, regulations or taxations on employee compensation may become more restrictive for the Issuer and other Dutch financial institutions than for some of its competitors in other jurisdictions or markets, which could have an additional adverse effect on the Issuer's ability to hire or retain the most qualified employees and senior management in the jurisdictions or markets where it operates or intends to operate. Any such failure to hire or retain the most qualified employees and senior management may adversely affect the Issuer's business and performance.

27. ***The financial services industry is subject to intensive and complex regulations. Major changes in laws and regulations as well as enforcement action could adversely affect the Issuer's business, financial position and results of operations.***

In pursuit of a broad reform and restructuring of financial services regulation, national and supra-national legislatures and supervisory authorities, predominantly in Europe and in the United States but also elsewhere, continue to introduce and implement a wide range of, often complex, proposals that could result in major changes to the way the Issuer's global operations are regulated and could have adverse consequences for its business, business model, financial position, capital position (including capital, minimum requirement for own funds and eligible liabilities ("MREL"), leverage, liquidity coverage and net stable funding ratios), results of operations, reputation and prospects. The Issuer notes that the changes below could materially impact the profitability of the Issuer's businesses, the Issuer's models, the Issuer's capital position, the value of its assets or the collateral available for its loans, require changes to business practices, increase its regulatory reporting and transparency obligations, or force the Issuer to discontinue businesses or change its legal entity structure, capital and funding structure, and expose the Issuer to additional costs, taxes, liabilities, enforcement actions and reputational risk and are likely to have a material impact on the Issuer:

- Regulatory capital requirements proposed by the Basel Committee on Banking Supervision (the "**Basel Committee**") have been implemented in the EU through the Capital Requirements Directive (2013/36/EU) known as "**CRD**" and the Capital Requirements Regulation ((EU) No 575/2013) known as "**CRR**". Regulatory capital requirements are subject to ongoing change, and are expected to become more stringent. This is especially due to the implementation and entry into force of the amendments of certain provisions of, *inter alia*, CRD, CRR, the Bank Recovery and Resolution Directive

(2014/59/EU) and the Single Resolution Mechanism Regulation ((EU) No 806/2014) included in the EU banking reform package adopted in April 2019 (the "**EU Banking Reforms**") and the final Basel III standards as published on 7 December 2017 (these standards are informally known as "Basel IV" and will be implemented in the EU through amendments to CRD and CRR). Further changes to the regulatory capital requirements may have a material adverse effect on the Issuer's financial position.

- At the end of 2015, the ECB started a targeted review of internal models ("**TRIM**") to assess whether the internal models currently used by EU banks comply with regulatory requirements, and whether they are reliable and comparable. The ECB's TRIM reviews credit and market risk models applied for calculating risk weighted assets ("**RWA**"). In addition, the European Banking Authority's ("**EBA**") review of the internal ratings-based ("**IRB**") approach provides more detailed requirements on the Issuer's application of the IRB approach for credit risk RWA. The ECB's TRIM review ended in 2021 and ABN AMRO's main capital ratios are in line with the new rules under Basel IV. However, several uncertainties remain, including data limitations, finalisation of Basel IV, management actions and other portfolio developments which may have a material adverse effect on the Issuer's financial position. For example, as reported in the Issuer's first quarter 2023 report, the Issuer's RWA increased by EUR 3.2 billion reflecting, *inter alia*, a rise in credit risk RWA. The Issuer cannot exclude that further RWA add-ons or RWA model changes may be necessary.
- The revised EU Directive on Markets in Financial Instruments (2014/65/EU, the "**MiFID II Directive**") and the accompanying regulation "**MiFIR**" (Regulation 600/2014) (together, "**MiFID II**") replaced and extended prior European rules on markets in financial instruments, giving more extensive powers to supervisory authorities, increasing market infrastructure and reporting requirements, requiring more robust investor protection, increasing both equity and non-equity market transparency, introducing a harmonised position-limits regime for commodity derivatives and introducing the possibility to impose higher fines in case of infringement of its requirements. MiFID II may have a material adverse effect on the Issuer's business and financial position.
- Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") applies to 'contributors' to, 'administrators' of, and 'users' of 'benchmarks' in the EU. The Benchmarks Regulation, among other things: (a) requires EU benchmark administrators to be authorised or registered and to comply with requirements relating to the administration of benchmarks; (b) prohibits the use in the EU of benchmarks provided by EU administrators unless the relevant administrator is authorised or registered in accordance with the Benchmarks Regulation; and (c) prohibits the use in the EU of benchmarks provided by non-EU administrators unless the relevant administrator(s) and benchmark are included in the register of benchmarks and administrators maintained by the European Securities and Markets Authority ("**ESMA**") in accordance with the Benchmarks Regulation. The requirements and prohibitions under the Benchmarks Regulation may have a material adverse effect on the Issuer's financial position.
- The payment services directive (Directive 2015/2366/EU, "**PSD 2**") which imposes requirements on the Issuer with respect to payment services in the European Economic Area (the "**EEA**") and was intended, amongst other things, to support the emergence of new players and the development of innovative mobile and internet payments in Europe. PSD 2 entered into force on 13 January 2018. The Dutch implementing legislation entered into force on 19 February 2019, save for those elements relating to EBA regulatory technical standards (2018/389) in respect of, *inter alia*, strong customer authentication, which entered into force on 14 September 2019. The additional requirements may have a material adverse effect on the Issuer's business.
- In the United States, the ongoing implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which covers a broad range of regulations and requirements for financial services firms including an evolving framework of regulations and requirements for OTC derivative transactions, markets and participants. The ongoing implementation of the Dodd-Frank Act may have a material adverse effect on the Issuer's business and financial position.

- Based on sections 1471-1474 of the United States Code and Treasury Regulations thereunder (commonly known as the Foreign Account Tax Compliance Act, or "**FATCA**"), a 30% withholding tax may be imposed on U.S. source payments to a non-U.S. (foreign) financial institution. This may have a material adverse effect on the Issuer's business and financial position.
- Various international and EU initiatives on automatic exchange of information (such as the OECD Common Reporting Standard, and the amended EU Directive on Administrative Cooperation), which have had and will continue to have considerable impact on client on-boarding and administrative processes of the Issuer.
- Changes in tax laws and regulations, including as a result of various international and EU initiatives. For example, in December 2021, the OECD issued model rules for a new global minimum tax framework (Pillar 2). Several jurisdictions announced the intention to bring these into effect. In December 2022, EU Member States agreed to a EU Directive implementing Pillar 2. While the overarching framework has been published, domestic legislation and detailed guidance to assess the full implications in various jurisdictions is still pending to date.
- Restrictions applicable to the Dutch principal residence mortgage loan market for individuals, including a maximum loan amount for government-guaranteed mortgage loans (*Nationale Hypotheekgarantie*, "**NHG**"), a reduction of the maximum permissible amount of a mortgage loan relative to the value of the property and a reduction on tax deductibility of new mortgages loans, could put downward pressure on the total outstanding volume of mortgages in The Netherlands. This could decrease the size of the Issuer's mortgage portfolio, have an effect on house prices, which may result in an increase of defaults, prepayments and repayments and may have a material adverse effect on the Issuer's business and financial position.
- A new regulation on minimum loss coverage for non-performing exposures ("**NPE**") complementing Regulation (EU) No 575/2013 relating to own funds (Regulation (EU) 2019/630, the "**NPE Regulation**"), introducing provisions requiring a deduction from own funds where NPEs are not sufficiently covered by provisions or other adjustments, effectively creating a prudential backstop for NPEs. In August 2019, the ECB has adjusted its supervisory expectations for prudential provisioning with regard to new NPE accordingly. Furthermore, in May 2020 the EBA published final guidelines on loan origination and monitoring (which have largely applied since June 2021), requiring institutions to develop robust and prudent standards to ensure newly originated loans are assessed properly, and aim to ensure that institutions' practices are aligned with consumer protection rules and respect fair treatment of customers. The NPE Regulation may result in the Issuer having to recognise additional provisions or capital reductions which may have a material adverse effect on its financial position.
- The imposition of a minimum average risk weight for IRB banks' exposures to natural persons secured by mortgages on residential property located in The Netherlands announced by DNB ("**DNB RWA Floor**"). The intention of the DNB RWA Floor is to enhance the resilience of Dutch banks to a potential severe downturn in the housing market against the background of sustained price increases in real estate over the past few years. This may have a material adverse effect on the Issuer's financial position. The measure effectively came into force as of 1 January 2022 and expired on 31 December 2022, but DNB can decide whether or not to extend the measure, each time for a period of two years. DNB has decided to extend the measure until 1 December 2024.
- In July 2020, the European Union Court of Justice ruled that certain legal grounds for the transfer of personal data outside Europe are invalid or require supplementary measures (Schrems II). As a result of this ruling, the Issuer needs to assess the risks and monitor more actively its data transfers outside Europe. Furthermore, the Issuer may need to take extra measures regarding non-EU vendors, or in some cases stop the data transfer.
- On 18 April 2023, the European Commission adopted a proposal to adjust and further strengthen the EU's existing bank crisis management and deposit insurance ("**CMDI**")

framework, with a focus on medium-sized and smaller banks. The package implies the review of the BRRD and SRM Regulation (each as defined below) frameworks as well as a separate legislative proposal to amend the DGS Directive (as defined below), all of which aim at further preserving financial stability, protecting taxpayers and depositors, and supporting the real economy and its competitiveness. However, there is a high degree of uncertainty with regards to the proposed adjustments to the CMDI framework and when they will be finally implemented in the EU. Therefore, the exact impact of these adjustments and the potential effects on the Issuer cannot be assessed yet.

- On 16 January 2023, the digital operational resilience act ("**DORA**"), consisting of Regulation (EU) 2022/2554 and Directive (EU) 2022/2556 entered into force. Aimed at harmonising national rules around operational resilience and cybersecurity regulation across the EU, DORA establishes uniform requirements for the security of network and information systems of companies and organisations operating in the financial sector as well as critical third parties which provide services related to information communication technologies (ICT), such as cloud platforms or data analytics services. Financial entities in scope of DORA must be fully compliant from 16 January 2025.

The mortgage lending rules and restrictions or changes to mortgage interest relief, applicable to the principal residence mortgage market, may have a particular impact on the Issuer's principal residence mortgage business. These measures might have a material adverse effect on the sale of the Issuer's principal residence mortgage products and therefore on the aggregate loan portfolio of the Issuer, on the interest margins that it is able to earn on new and existing principal residence mortgages, as well as on the ability of its clients to pay amounts due in time and in full. See also the risk factor "6. *The Issuer's operations and assets are located primarily in The Netherlands. Deterioration of the economic environment could have a material adverse effect on the Issuer's results of operations and financial position*" above which sets out the Issuer's dependency upon the prevailing economic, political and social conditions in The Netherlands, particularly those which impact the mortgage market.

The tax regime applicable to the Issuer is to an extent based on the Issuer's interpretations of such laws and regulations. The Issuer cannot guarantee that such interpretations will not be questioned by the relevant authorities. There has in recent years been an increased interest by governments, political parties, the media and the public in the tax affairs of companies. This increased interest may also apply to the Issuer's tax policy or the tax affairs of the Issuer's clients. In addition, changes as to what is perceived by governments or by the public to be appropriate, ethical or sustainable behaviour in relation to tax may lead to a situation where the Issuer's tax policy is in line with all applicable tax laws, rules and regulations, but nevertheless comes under public scrutiny. These two developments could lead to reputational damage and damage to the Issuer's brand.

Furthermore, as part of the Supervisory Review and Evaluation Process ("**SREP**"), ECB and DNB may perform an analysis of the Issuer's business model, strategy, models and capital and liquidity position and form a view on their viability and sustainability. If necessary, they may take measures to address any problems and concerns. Such measures may include the requirement to make changes to the business plan and strategy, or require the Issuer to reduce risks that are inherent in certain products by requiring changes to the offering of these products or improvements of the governance and control arrangements around product development and maintenance. They may also include measures to reduce risks inherent to the Issuer's systems by requiring improvements of its systems, imposing restrictions or prohibitions on distributions or interest payments to shareholders, members or holders of Additional Tier 1 capital instruments or requiring the Issuer to account for more RWA or raise additional regulatory capital and eligible liabilities for MREL. Such measures may adversely impact the Issuer's capital position, MREL position, business and may force the Issuer to make substantial investments to meet the above requirements.

For further information on laws and regulation the Issuer is subject to, see chapter "*The Issuer – 1.3 Regulation*". The timing and full impact of new laws and regulations, including the initiatives described above, cannot be determined yet and are beyond the Issuer's control. The introduction of these and other new rules and requirements could significantly impact the manner in which the Issuer operates, particularly in situations where regulatory legislation can interfere with or even set aside national private law. New requirements may adversely affect the Issuer's business, capital and risk management strategies and may result in the Issuer deciding to modify its legal entity

structure, capital and funding structures and business mix or exit certain business activities altogether or determine not to expand in certain business areas despite their otherwise attractive potential.

European regulations such as MiFID II and US regulations such as U.S. Commodity Futures Exchange Commission and U.S. Securities and Exchange Commission rules, have increased the burden of compliance on the Issuer. The extraterritorial scope of some of the regulations brings additional layers of complexity, as the Issuer can become subject to rules and regulations of national jurisdictions whilst it is not directly part of the national markets of such jurisdictions. This may have a material adverse effect on the business, financial position and results of operations of the Issuer.

Significant regulatory fines may be imposed on the Issuer should the Issuer fail to comply with applicable regulations. The cost of regulatory fines and defence against current and future regulatory actions may be significant. There may also be adverse publicity associated with regulatory fines or action that could negatively affect customer views of the Issuer, regardless of whether the allegations are valid or whether the Issuer is ultimately found liable. Therefore, such regulatory fines or actions may have a material adverse effect on the business, financial position and results of operations of the Issuer.

28. ***The Issuer is exposed to regulatory scrutiny and potentially significant claims for violation of the duty of care owed by it to clients and third parties.***

Due to their position in society (*maatschappelijke functie*) and specific expertise, financial institutions in The Netherlands (such as the Issuer) owe a special duty of care (*bijzondere zorgplicht*). Financial institutions must also comply with duty of care rules in Dutch law, which includes provisions on client classification, disclosure requirements and know-your-customer obligations. Pursuant to the General Banking Conditions (*Algemene Bankvoorwaarden*) used by Dutch banks, a bank must always act in accordance with its duty of care, irrespective of whether the service or product is sold to a professional client or a non-professional client. Violation of the duty of care by the Issuer could lead to potentially significant claims, which could have a material adverse impact on the Issuer's business, financial condition and reputation.

Where in the past the duty of care was held to apply predominantly to clients, the application of this standard has on the basis of case law been extended more broadly for the benefit of third parties that suffer damages inflicted by clients of the financial institution. In these cases, courts held, for example, that in certain circumstances financial institutions may be expected to monitor activities of their clients, denouncing or even halting any suspected illegal activity. Accordingly, there can be no assurance that additional proceedings will not be brought. Such litigation may have a material adverse effect on the Issuer's business, financial condition and reputation.

Clients in the future could increasingly use "execution only" services instead of paying for advice and such shift could lead to injudicious client losses and decisions which they may seek to recover from the Issuer on the basis of duty of care principles, which could have a material adverse impact on the Issuer's business and financial condition.

A number of proceedings have been initiated against the Issuer and other Dutch banks for violation of its duty of care and a larger number of claims are threatened. Also, a number of class action groups are actively soliciting plaintiffs for mass litigation proceedings. Accordingly, there can be no assurance that additional proceedings will not be brought. Current proceedings are still pending and their outcome is uncertain, as is the timing of reaching any finality on these legal claims and proceedings. As a result, although the consequences could be substantial for the Issuer, with a potentially material adverse effect on the Issuer's reputation, results of operations, financial position and prospects, it is not possible to reliably estimate or quantify the Issuer's exposure at this time.

For example, the Issuer started a review at the request of the AFM to determine whether the Issuer had acted in accordance with its duty of care obligations in respect of the sale of interest rate derivatives to small and medium-sized enterprises ("**SME**"). The Issuer had to reassess over 7,000 clients with over 10,000 interest rate derivatives. The total provision for SME derivatives-related

issues consisted of client compensation (EUR 0.6 billion) and project costs (EUR 0.3 billion). The remaining provision amounted to EUR 3 million at 31 December 2022.

In addition, ABN AMRO Levensverzekering N.V. ("**ABN AMRO Levensverzekering**"), a subsidiary of Nationale-Nederlanden ABN AMRO Verzekeringen Holding B.V. ("**ABN AMRO Verzekeringen**") in which the Issuer has a 49% interest, is exposed to claims from customers concerning unit-linked insurance contracts. ABN AMRO Levensverzekering entered into settlements with certain consumer and investor interest groups on standardized charges for individual, privately held unit-linked insurance products purchased in the past. ABN AMRO Levensverzekering has taken provisions for these settlements and remains a well-capitalised life insurance company. The public debate around insurance mis-selling (*woekerpolissen*) is however still ongoing and possible future claims and related costs may affect the capital position of ABN AMRO Levensverzekering and consequently may have a material adverse impact on the financial condition of the Issuer. The Issuer has received complaints and faces, and may in the future face additional, exposure and claims for its role in distributing these products. A number of proceedings with the Dutch financial institute for out of court settlement of financial disputes "**Kifid**" (*Klachteninstituut Financiële Dienstverlening*) is pending against the Issuer and the insurers. A negative outcome of these proceedings could have a material adverse effect on the Issuer's business and reputation. On 15 February 2022, ABN AMRO announced that it had reached agreement on the sale of ABN AMRO Levensverzekering to NN Group N.V. The sale of ABN AMRO Levensverzekering closed in 2022. With the completion of this transaction, ABN AMRO Verzekeringen continues as a non-life insurer and intermediary. See also the risk factor "22. *The Issuer can be forced, upon a change of control over the Issuer or NN Group N.V., to buy shares it does not yet own in Dutch insurance business ABN AMRO Verzekeringen. If this risk were to materialise, the Issuer would be forced to pay a currently unknown purchase price that would likely be material, the Issuer would be required to consolidate ABN AMRO Verzekeringen into its financial statements, which may have material adverse consequences for the Issuer's capital and liquidity ratios, and any potential losses incurred by ABN AMRO Verzekeringen would from then on be entirely for the account of the Issuer*" for other risks relating to ABN AMRO Verzekeringen that may have a material adverse effect on the Issuer.

On 3 March 2021, the Kifid Appeals Committee confirmed a ruling of the Kifid Disputes Committee about the recalculation of the variable interest charged to a specific client on a revolving credit. In short, Kifid ruled that ABN AMRO should have followed the market rate while establishing the variable interest rate for certain revolving consumer credits. In light of the Kifid ruling, ABN AMRO reached agreement with the Dutch Consumers' Association (*Consumentenbond Claimservice*) on 5 September 2021 regarding a compensation scheme for affected clients, as further described in "*The Issuer — 1.4 Legal and arbitration proceedings — Variable interest rate complaints for consumer loans*". On 10 August 2022, the Kifid Appeals Committee ruled that, in addition to recalculating variable interest rate charges for the relevant period, the effects of compounding interest must also be taken into account. It ruled that the amount of interest that the relevant consumer paid too much, should be seen as a prepayment of principal of the relevant consumer credit. It is currently unclear, however, whether these rulings will have a knock-on effect on other products with variable interest rates, beyond the range of products covered by the present compensation scheme.

The developments described above are complex and could have substantial consequences for the Issuer, including an increase in claims by customers and increased costs and resources. Also, it cannot be excluded that additional sector-wide measures will be imposed by supervisory authorities or the legislator which can have a material adverse effect on the Issuer's business, financial condition and results of operations.

29. ***The Issuer is subject to legal risk, which may have an adverse impact on the Issuer's business, financial position and results of operations.***

In the ordinary course of business the Issuer is involved in a number of legal proceedings. Furthermore, in The Netherlands, the number and size of claims that are the subject of litigation, regulatory proceedings and other adversarial (legal) proceedings against financial institutions (such as the Issuer) are increasing. The Issuer's business is subject to the risk of litigation by customers, borrowers, employees, shareholders or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. It is inherently difficult to predict or quantify

the outcome of many of the litigations, regulatory proceedings and other adversarial proceedings involving the Issuer and its businesses. The cost to defend current and future actions may be significant. There may also be adverse publicity associated with litigation that could decrease customer acceptance of the Issuer's services, regardless of whether the allegations are valid or whether the Issuer is ultimately found liable. Examples are the failure or perceived failure to comply with legal and regulatory rules, laws, regulations and other requirements, principles, guidelines (including but not limited to guidelines addressing possible ecological, social and ethical risks) or codes of conduct (including but not limited to the code of conduct on sustainability) by the Issuer, its customers, or other third parties linked to the Issuer, anti-money laundering, bribery or anti-corruption measures, anti-terrorist financing procedures, tax evasion or avoidance by clients, the quality and transparency of products sold to clients, the manner in which the Issuer protects its legitimate interest upon a client default or a margin obligation arising or the conduct of its employees. See also the risk factor "28. *The Issuer is exposed to regulatory scrutiny and potentially significant claims for violation of the duty of care owed by it to clients and third parties*" and the risk factor "32. *The Issuer is subject to reputational risk*" which set out similar (legal and regulatory) risks that may have a material adverse impact on the Issuer. As a result, litigation may adversely affect the Issuer's business. See "*The Issuer — 1.4 Legal and arbitration proceedings*" for further information in respect of legal proceedings of the Issuer.

In presenting the consolidated annual financial statements, the Issuer's management may make estimates regarding the outcome of legal, regulatory and arbitration matters and takes a charge to income when losses with respect to such matters are probable and can be reasonably estimated. If the provisions made turn out not to be sufficient, the Issuer is at risk of incurring losses that have not or not sufficiently been provided for. Such losses may occur potentially years after the event that caused them. Changes in estimates may have an adverse effect on the Issuer's business, financial position and results of operations.

30. ***Resolution regimes may lead to fewer assets of the Issuer being available to investors for recourse for their claims, and may lead to lower credit ratings and possibly higher cost of funding.***

The Special Measures Financial Institutions Act, (*Wet bijzondere maatregelen financiële ondernemingen*, the "**Dutch Intervention Act**"), the Directive providing for the establishment of a European-wide framework for the recovery and resolution of credit institutions and investment firms (2014/59/EU as amended, "**BRRD**") and Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (as amended, the "**SRM Regulation**") set out the intervention and resolution framework applicable to the Issuer.

The SRM Regulation establishes a single European resolution board (the "**Resolution Board**") having resolution powers over the institutions that are subject to the SRM Regulation, thus replacing or exceeding the powers of the national resolution authorities within the euro area. The Resolution Board will determine, after consultation with competent authorities, a MREL applicable to the Issuer. MREL is designed to be available to the resolution authorities for write down, write off or conversion to equity in order to absorb losses and recapitalise a failing institution in the event of resolution action being taken, and before more senior-ranking creditors suffer losses. The amount of MREL the Issuer is required to maintain over time will be based on the expected required capacity to resolve and, if appropriate, recapitalise the Issuer in the event of its failure. The Resolution Board may also use the powers of early intervention as set forth in the SRM Regulation, including the power to require an institution to contact potential purchasers in order to prepare for resolution of the institution. The Resolution Board has the authority to exercise the specific resolution powers pursuant to the SRM Regulation similar to those of the national authorities under the BRRD.

Recovery and resolution plans

As required by the BRRD, the Issuer is required to draw up and maintain a recovery plan. In addition, the Resolution Board is required to prepare a resolution plan for the Issuer setting out resolution actions it may take if the Issuer would fail or would be likely to fail. Although ABN

AMRO Bank N.V. is the Group's designated resolution entity, the Resolution Board has required from the Issuer and may further require from the Issuer to issue MREL at various levels within the Group, resulting in higher capital and funding costs for the Issuer, and as a result adversely affect the Issuer's profits. If the Issuer were to experience difficulties in (timely) raising MREL eligible liabilities, it may have to implement measures in response (e.g. reducing its lending or investments in other operations) which could have a material adverse effect on the Issuer's business, financial position and results of operations.

Early intervention

If the Issuer does not comply with or, due to a rapidly deteriorating financial position, would be likely not to comply with capital or liquidity requirements in the near future, the supervisory authorities will have the power to impose early intervention measures. A rapidly deteriorating financial position could, for example, occur in the case of a deterioration of the Issuer's liquidity situation, increasing level of leverage and non-performing loans. Intervention measures include the power to require changes to the legal or operational structure of the Issuer, the power to make changes to the Issuer's business strategy, and the power to require the Issuer's Executive Board to convene a general meeting of shareholders, set the agenda and require certain decisions to be considered for adoption by the general meeting. Furthermore, if these early intervention measures are not considered sufficient, the competent authority may replace management or install a temporary administrator. In case of resolution of the Issuer, a special manager may also be appointed who will be granted management authority over the Issuer instead of its existing executive board members, in order to implement the measures decided on by the competent authority.

Non-viability and resolution measures

If the Issuer were to reach a point of non-viability, the Competent Authority could take pre-resolution measures. These measures include the write-down and cancellation of shares, and the write-down or conversion into shares or other instruments of ownership of capital instruments (the "**Write Down and Conversion Power**").

Furthermore, BRRD and SRM provide resolution authorities with powers to implement resolution measures with respect to banks which meet the conditions for resolution, which may include (without limitation) the sale of the bank's business, the separation of assets, capital instruments and eligible liabilities absorbing losses through the write-down or conversion into equity of such instruments (the "**Bail-in Tool**"), the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments and discontinuing the listing and admission to trading of financial instruments. The Bail-in Tool comprises a more general power for resolution authorities to write-down the claims of unsecured creditors of a failing bank and to convert unsecured debt claims to equity. The Bail-in Tool covers eligible liabilities issued by the institution subject to resolution measures, but certain defined instruments are excluded from the scope, such as covered bonds.

The application of resolution measures may lead to additional measures. For example, in connection with the nationalisation of SNS Reaal N.V. pursuant to the Dutch Intervention Act, a one-off resolution levy for all banks was proposed by the Minister of Finance.

When applying the resolution tools and exercising the resolution powers, including the preparation and implementation thereof, the resolution authorities can exercise their powers irrespective of any restriction on, or requirement for consent for, transfer of the financial instruments, rights, assets or liabilities in question that might otherwise apply.

The Dutch Intervention Act, BRRD and SRM may increase the Issuer's cost of funding and thereby have an adverse impact on the Issuer's funding ability, financial position and results of operations. In case of a capital shortfall, the Issuer would first be required to carry out all possible capital raising measures by private means, including the conversion of junior debt into equity (which may include subordinated notes and/or senior non-preferred notes issued by the Issuer), before one is eligible for any kind of restructuring State aid.

31. ***The Issuer is subject to stress tests and other regulatory enquiries, the outcome which could materially and adversely affect the Issuer's reputation, financing costs and trigger enforcement action by supervisory authorities. Stress tests could also bring to the surface information which may result in additional regulatory requirements or measures being imposed or taken which could have a material adverse effect on the Issuer's business, results of operations, profitability or reputation.***

The banking sector, which includes the Issuer, is subject to periodic stress testing and other regulatory enquiries to examine the resilience of banks to adverse market developments. Such stress tests are initiated and coordinated by the EBA or the ECB. Stress tests and the announcements of their results by supervisory authorities can destabilise the banking or the financial services sector and lead to a loss of trust with regard to individual banks or the financial services sector as a whole. The outcome of stress tests could materially and adversely affect the Issuer's reputation, financing costs and trigger enforcement action by supervisory authorities. The outcome of stress tests could also result in the Issuer having to meet higher capital and liquidity requirements, which could have a material adverse effect on the Issuer's business, results of operations, profitability or reputation.

In addition, stress tests could divulge certain information that would not otherwise have surfaced or which until then, the Issuer had not considered to be material and worthy of taking remedial action on. This could lead to certain measures or capital and funding requirements by supervisory authorities being imposed or taken, which could have a material adverse effect on the Issuer's business, results of operations, profitability or reputation.

32. ***The Issuer is subject to reputational risk.***

Reputational risk exists in many forms in all of the Issuer's activities. Examples are the failure or perceived failure to comply with legal and regulatory rules, laws, regulations and other requirements, principles, guidelines (including but not limited to guidelines addressing possible ecological, social and ethical risks) or codes of conduct (including but not limited to the code of conduct on sustainability) by the Issuer, its customers, or other third parties linked to the Issuer, anti-money laundering, bribery or anti-corruption measures, anti-terrorist financing procedures, tax evasion or avoidance by clients, the quality and transparency of products sold to clients, the manner in which the Issuer protects its legitimate interest upon a client default or a margin obligation arising or the conduct of its employees. The Issuer's reputation could also be harmed as a result of negative external publicity over which the Issuer has no or minimal control (such as social media). Reputational damage to the Issuer may cause loss of business and clients which could, as a consequence, adversely affect the Issuer's operating results, prospects and financial position.

33. ***The Issuer is subject to additional risk exposure as a consequence of the Legal Demerger, Legal Separation, EC Remedy and Legal Merger that could adversely affect its business.***

The execution of the Legal Demerger, Legal Separation (including in relation to the EC Remedy) and Legal Merger have created risks for the Issuer's business and stability which may materially adversely affect the Issuer's results of operations, prospects and financial position.

Following completion of a legal demerger, creditors only have recourse to the entity to which the relevant assets and liabilities have been transferred for payments in respect of issued financial instruments. Under the Dutch Civil Code, however, each of NatWest Markets N.V. and the Issuer remains liable to creditors for certain monetary obligations of the other that existed at the date of the Legal Demerger in the event that the other cannot meet such obligations. In each case, this liability relates only to obligations existing at the date of the Legal Demerger and is limited to the amount of equity acquired at the Legal Demerger. Although the Issuer and NatWest Markets N.V. have made arrangements to mitigate the risks of liability to the creditors which transferred to each other upon the Legal Demerger, there is no assurance that the mitigating arrangements taken by the Issuer are sufficient to satisfy all claims of creditors transferred to NatWest Markets N.V. Any insufficiency in such mitigating arrangements may materially adversely affect the Issuer's results of operations and financial position. See "*The Issuer – 1.1 History and recent developments*".

On 6 February 2010, the former ABN AMRO Bank N.V. demerged into two entities: NatWest Markets N.V. (formerly known as RBS N.V.) and ABN AMRO Bank N.V. (the "**2010 Demerger**"), giving rise to cross-liabilities similar to the cross-liabilities described above. If ABN AMRO Bank N.V. fails to perform its obligations existing at the time of the 2010 Demerger, NatWest Markets N.V. is liable for the performance. If NatWest Markets N.V. fails to perform its obligations existing at the time of the 2010 Demerger, ABN AMRO Bank N.V. is liable. ABN AMRO Bank N.V.'s contingent liability is limited to EUR 298 million. ABN AMRO Bank N.V. has put in place arrangements to mitigate the risks of such contingent liability and received collateral from NatWest Markets N.V. amounting to EUR 150 million. As these liabilities decline, the amount of collateral posted also declines. Even though ABN AMRO Bank N.V. and NatWest Markets N.V. implemented mitigating arrangements, it cannot be excluded that ABN AMRO Bank N.V. will be confronted with significant liabilities of NatWest Markets N.V. and which it may not or not fully be able to recover from NatWest Markets N.V. or NatWest Markets Plc.

34. ***Termination of Dutch State Ownership of the Issuer may result in increased perception of risk by investors, depositors and customers.***

On 1 July 2015 Dutch Parliament approved the Dutch Government's decision to return ABN AMRO to the private market, and on 20 November 2015 the former ABN AMRO Group N.V. was listed and the trading in the depositary receipts for ordinary shares commenced. In subsequent years, additional depositary receipts representing ordinary shares in the former ABN AMRO Group N.V. were sold, further reducing the stake of the Dutch State. In addition, on 21 December 2017 NLFJ announced that it has transferred approximately 59.7 million ordinary shares in the former ABN AMRO Group N.V. to Stichting Administratiekantoor Continuïteit ABN AMRO Group (the "**STAK AAG**") in exchange for an equal amount of depositary receipts for ordinary shares in ABN AMRO. See "*The Issuer – 1.1 History and recent developments*".

The timing and the form in which further changes in the ownership of the Issuer may take is uncertain and may result in increased perception of risk by investors, depositors and customers which could adversely affect the Issuer's results of operations, prospects and financial position.

2. INTRODUCTION

This document constitutes a registration document (as supplemented from time to time, "**Registration Document**") for the purposes of the Prospectus Regulation and has been prepared for the purpose of giving information with respect to ABN AMRO Bank N.V. (the "**Issuer**") which, according to the particular nature of the Issuer and the securities which it may apply to have admitted to trading on a regulated market situated or operating within such a Member State, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

The Issuer accepts responsibility for the information contained in this Registration Document and declares that, to the best of its knowledge, the information contained in this Registration Document is in accordance with the facts and the Registration Document makes no omission likely to affect its import.

This Registration Document has been approved by The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, "**AFM**") as the competent authority in the Issuer's home Member State pursuant to the Prospectus Regulation.

Together with any securities note for non-equity securities, as supplemented or replaced from time to time (each a "**Securities Note**") of the Issuer, in each case, this Registration Document forms part of any base prospectus of the Issuer consisting of separate documents within the meaning of Article 8(6) of the Prospectus Regulation in respect of the relevant securities (this Registration Document together with the respective Securities Note, in each case the "**Base Prospectus**").

The AFM has only approved this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.

This Registration Document (save as described below) is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents incorporated by Reference*").

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Registration Document, and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

This Registration Document should not be considered as a recommendation by the Issuer that any recipient of this Registration Document should purchase securities of the Issuer. Each investor contemplating purchasing any securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This Registration Document does not constitute an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any securities.

The delivery of this Registration Document will not in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Registration Document has been most recently amended or supplemented. Investors will need to make their own investigations and financial calculations on the basis of the financial information incorporated by reference herein in order to make an informed assessment of the future assets and liabilities, financial position, profit and losses and prospects of the Issuer and when deciding whether or not to purchase any financial instruments issued by the Issuer. The Issuer has no obligation to update this Registration Document, except when required by and in accordance with the Prospectus Regulation.

This Registration Document does not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Registration Document and the offer or sale of securities may be restricted by law in certain jurisdictions. The Issuer does not represent that this Registration Document may be lawfully distributed, or that any securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any securities or distribution of this Registration Document in any jurisdiction where action for that purpose is required. Accordingly, no

securities may be offered or sold, directly or indirectly, and neither this Registration Document nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Registration Document or any securities of the Issuer may come must inform themselves about, and observe, any such restrictions on the distribution of this Registration Document and the offering and sale of such securities.

All references in this document to "**EUR**", "**euro**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, references to "**Sterling**" and "**£**" refer to pounds sterling and references to "**U.S. Dollars**", "**USD**" and "**\$**" refer to United States dollars.

3. DOCUMENTS INCORPORATED BY REFERENCE

The following documents published or issued on or prior to the date hereof shall be deemed to be incorporated in, and to form part of, this Registration Document:

- (a) the articles of association of the Issuer which can be obtained from https://assets.ctfassets.net/1u811bvgvthc/68k3wJyMxthHBhRpdT9i8a/8906d736755b19e824f9484b25d542b1/20200428_DT_NL_ENG_Statuten_ABN_AMRO_Bank_N.V_.pdf;
- (b) ABN AMRO Bank N.V.'s publicly available audited annual financial statements for the financial year ended 31 December 2021, as set out on pages 260 to 347 in relation to the consolidated financial statements 2021, including the notes to the consolidated financial statements as set out on pages 268 to 347, the company annual financial statements on pages 348 to 367, including the notes to the company annual financial statements on pages 353 to 367, pages 82 to 202 (certain information in the Risk, funding & capital report), and the auditors' report thereon on pages 381 to 388, all as included in ABN AMRO Bank N.V.'s Annual Report 2021 which can be obtained from https://downloads.ctfassets.net/1u811bvgvthc/62067Em47HIFTg3hGxdQHY/3fcd6a3ac35ba44be18fad01cc84b7c0/ABN_AMRO_Integrated_Annual_Report_2021.pdf;
- (c) the Section "*ABN AMRO shares*" on pages 16 to 17, the Section "*Regulatory developments*" on pages 22 to 25, the Section "*Our strategy*" of the Strategy, value creation & performance report on page 31, the Section "*Our three strategic pillars*" of the Strategy, value creation & performance report on pages 32 to 33, the Section "*Financial performance*" of the Strategy, value creation & performance report on pages 69 to 79, the Section "*Risk, funding & capital*" on pages 82 to 203 (excluding the specific sub-paragraph "*Interview with our Chief Risk Officer*" on pages 84 to 85), the Section "*General Meeting and shareholder structure*" on pages 232 to 235, the Section "*Legal structure*" on page 257, the Section "*General*" on pages 370 to 371, the Section "*Definitions*" on page 376, the Section "*Other information*" on pages 392 to 393 and the Section "*Cautionary statements*" on page 394, all as included in ABN AMRO Bank N.V.'s Annual Report 2021;
- (d) the publicly available abbreviations and definitions of important terms relating to ABN AMRO Bank N.V.'s Annual Report 2021 which can be obtained from https://assets.ctfassets.net/1u811bvgvthc/Sj4Kdx1iQQM3t2hxmtm7S/ca8841013fdbc3addaf8a00bb839ccef/ABN_AMRO_Abbreviations_and_definitions_of_important_terms_2021.pdf;
- (e) ABN AMRO Bank N.V.'s publicly available audited annual financial statements for the financial year ended 31 December 2022, as set out on pages 236 to 319 in relation to the consolidated financial statements 2022, including the notes to the consolidated financial statements as set out on pages 242 to 319, the company annual financial statements on pages 320 to 337, including the notes to the company annual financial statements on pages 324 to 337, pages 56 to 176 (certain information in the Risk, funding & capital report), and the auditors' report thereon on pages 351 to 358, all as included in ABN AMRO Bank N.V.'s Annual Report 2022 which can be obtained from https://assets.ctfassets.net/1u811bvgvthc/3tn2c2U6QjiBj1IWRNX9cl/c2dde83a535488509bbf0c37726fa407/ABN_AMRO_Integrated_Annual_Report_2022.pdf;
- (f) the Section "*ABN AMRO shares*" on page 47, the Section "*Strategy and value creation*" of the Strategy and value creation report on pages 18 to 23, the Section "*Our financial performance*" of the Strategy and value creation report on pages 44 to 47, the Section "*Additional financial performance*" of the Strategy and value creation report on pages 48 to 51, the Section "*Outlook*" of the Strategy and value creation report on pages 53 to 54, the Section "*Risk, funding & capital*" on pages 56 to 176 (excluding the specific sub-paragraph "*Interview with our Chief Risk Officer*" on pages 62 to 63), the Section "*Leadership & governance structure*" on pages 179 to 191, the Section "*Report of the Supervisory Board*" on pages 194 to 203, the Section "*General Meeting and shareholder structure*" on pages 205 to 207, the Section "*Remuneration report*" on pages 209 to 223, the Section "*Legal structure*" on page 230, the Section "*Responsibility statement*" on page 234, the Section "*Our approach to reporting*" on pages 339 to 340, the Section "*Definitions*" on pages 343 to 346, the Section "*Regulatory developments*" on pages 349 to 350, the Section "*Other information*" on pages 362 to 363 and the Section "*Cautionary statements*" on page 364, all as included in ABN AMRO Bank N.V.'s Annual Report 2022;

- (g) the publicly available abbreviations and definitions of important terms relating to ABN AMRO Bank N.V.'s Annual Report 2022 which can be obtained from https://assets.ctfassets.net/1u811bvgvthc/2a67TV6xXCk1B5mDJ2M9aA/31df4cd56c04718c1e9cbd6ef765354d/ABN_AMRO_Abbreviations_and_definitions_of_important_terms_2022.pdf;
- (h) the quarterly report titled "*Quarterly Report First quarter 2023*" dated 10 May 2023, excluding the chapter titled "*Enquiries*", which can be obtained from https://assets.ctfassets.net/1u811bvgvthc/4816It6c6tC5s2oXmkSipW/3d76340da395d14e79b0c45996a120d5/ABN_AMRO_Bank_-_Quarterly_Report_first_quarter_2023.pdf;
- (i) the settlement agreement between The State of The Netherlands (Netherlands Public Prosecution Service) and ABN AMRO, dated 19 April 2021, which can be obtained from https://assets.ctfassets.net/1u811bvgvthc/KHfRcg2uQIGlfU7fri1YM/a7a0837ac3c3019b822b656b112c3300/Settlement_Agreement_ABN_AMRO_Guardian.pdf; and
- (j) the statement of facts and conclusions of the Netherlands Public Prosecution Service, dated 19 April 2021, which can be obtained from https://assets.ctfassets.net/1u811bvgvthc/4eUXF7eCnLthKp95RNnMnz/645730a7cd044da33ef4ad1545470f12/Statement_of_Facts_-_ABN_AMRO_Guardian.pdf,

save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Registration Document to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

All figures in the documents incorporated by reference herein have not been audited, unless stated otherwise. These figures are internal figures of the Issuer.

The information on the websites to which a hyperlink has been included in this Registration Document (other than the hyperlinks contained in this section "*Documents Incorporated by Reference*") does not form part of this Registration Document and has not been scrutinised or approved by the AFM.

Any information contained in any of the documents specified above which is not incorporated by reference in this Registration Document is either not relevant to investors or is covered elsewhere in this Registration Document. Any statements on the Issuer's competitive position included in this Registration Document (including in a document which is incorporated by reference herein) and where no external source is identified are based on the Issuer's internal assessment of generally available information.

The Issuer will provide, without charge, to each person to whom a copy of this Registration Document has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference. Requests for such documents should be directed to the Issuer (at its registered office at: Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands, by telephone: +31 20 6282282 or by e-mail: investorrelations@nl.abnamro.com). Copies of documents incorporated by reference in this Registration Document can also be obtained from <https://www.abnamro.com/ir>.

4. SELECTED DEFINITIONS AND ABBREVIATIONS

Definitions

In this Registration Document, unless the context otherwise requires:

"**AAHG**" refers to ABN AMRO Hypotheken Groep B.V.

"**ABN AMRO**" or the "**Group**" refers to ABN AMRO Bank N.V. and its consolidated subsidiaries.

"**ABN AMRO Bank**" or the "**Issuer**" refers to ABN AMRO Bank N.V. incorporated on 9 April 2009 (formerly known as "ABN AMRO II N.V.").

"**ABN AMRO Bank Standalone**" refers to ABN AMRO Bank N.V. in the period between the Legal Demerger on 6 February 2010 and the Legal Merger on 1 July 2010, which contained the businesses of ABN AMRO Holding acquired by the Dutch State.

"**ABN AMRO Clearing**" refers to ABN AMRO Clearing Bank N.V.

"**ABN AMRO Group**" refers to ABN AMRO Group N.V., a legal predecessor of ABN AMRO Bank N.V. before the Group Legal Merger took effect on 29 June 2019.

"**ABN AMRO Holding**" refers to ABN AMRO Holding N.V. and its consolidated subsidiaries which was acquired by the Consortium and renamed RBS Holdings N.V. upon the Legal Separation. "**RBS Holdings N.V.**" is part of The Royal Bank of Scotland Group plc.

"**ABN AMRO Levensverzekering**" refers to ABN AMRO Levensverzekering N.V.

"**ABN AMRO Pensions**" refers to ABN AMRO Pensioeninstelling N.V.

"**ABN AMRO Verzekeringen**" refers to Nationale-Nederlanden ABN AMRO Verzekeringen Holding B.V.

"**AIF**" refers to alternative investment fund.

"**AIFM Directive**" refers to Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers.

"**AFM**" refers to the Dutch *Stichting Autoriteit Financiële Markten*.

"**Ageas**" refers to ageas SA/NV (formerly known as "Fortis SA/NV") and ageas N.V. (formerly known as "Fortis N.V.") together.

"**Agent**" refers to any agent under this Program appointed by the Issuer from time to time.

"**Alfam**" refers to Alfam Holding N.V.

"**Bail-In Tool**" refers to the power provided to resolution authorities by the BRRD and the European regulation establishing uniform rules and a uniform procedure for the resolution of banks and certain investment firms in the framework of the Single Resolution Mechanism (Regulation 806/2014) to ensure that capital instruments and eligible liabilities absorb losses when the issuing institution meets the conditions for resolution, through the write-down or conversion of equity of such instruments.

"**Banque Neuflyze OBC**" refers to Banque Neuflyze OBC S.A.

"**Basel Committee**" refers to the Basel Committee on Banking Supervision.

"**Basel III Final Recommendations**" refers to the proposals of the Basel Committee set out in its paper released on 16 December 2010 (revised in June 2011) and press release of 13 January 2011.

"**Basel IV**" refers to the final Basel III standards published by the Basel Committee.

"**Bethmann**" refers to Bethmann Bank.

"**CCPs**" refers to central counterparties.

"**CFTC**" refers to the U.S. Commodity Futures Exchange Commission.

"**CIB**" refers to Corporate & Institutional Banking.

"**CLA**" refers to the collective labour agreement 2020-2021 between ABN AMRO and representatives of its employees.

"**Client Life Cycle processes**" refers to processes to combat money laundering, such as the client acceptance, transaction monitoring and client exit processes.

"**Competent Authority**" means the European Central Bank, the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or other authority having primary responsibility for the prudential oversight and supervision of the Issuer and/or the relevant Resolution Authority (if applicable), as determined by the Issuer.

"**Consortium**" refers to The Royal Bank of Scotland Group plc, Ageas and Banco Santander S.A. which jointly acquired ABN AMRO Holding on 17 October 2007 through RFS Holdings B.V. ("**RFS Holdings**").

"**Council**" refers to the Council of the European Union.

"**CRD**" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (as amended from time to time, including by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019).

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (as amended from time to time, including by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019).

"**DFC**" refers to Detecting Financial Crime.

"**DNB**" refers to The Dutch Central Bank (*De Nederlandsche Bank N.V.*).

"**DOL**" refers to the U.S. Department of Labor.

"**Dodd-Frank Act**" refers to the Dodd-Frank Wall Street Reform and Consumer Protection Act.

"**Dutch Intervention Act**" refers to the Special Measures Financial Institutions Act (*Wet bijzondere maatregelen financiële ondernemingen*).

"**Dutch State**" refers to the State of The Netherlands.

"**EBA**" refers to the European Banking Authority.

"**EC**" refers to the European Commission.

"**ECL**" refers to expected credit loss model.

"**EC Remedy**" refers to the divestment of the EC Remedy Businesses by ABN AMRO Bank Standalone in order to satisfy the conditions imposed by the European Commission for approval of the integration of FBN with ABN AMRO Bank Standalone through the Legal Merger.

"**EC Remedy Businesses**" refers to New HBU II N.V. and IFN Finance BV.

"**ECB**" refers to the European Central Bank.

"**EMIR**" refers to the European Market Infrastructure Regulation EU 648/2012.

"**Executive Board**" refers to ABN AMRO's executive board.

"**FATCA**" refers to sections 1471-1474 of the United States Internal Revenue Code of 1986 enacted by the United States as part of the HIRE Act in March 2010 (commonly referred to as Foreign Account Tax Compliance Act).

"**FBN**" refers to the legal entity Fortis Bank (Nederland) N.V., previously named "Fortis Bank Nederland (Holding) N.V.", which merged with ABN AMRO Bank Standalone pursuant to the Legal Merger.

"**FFI**" refers to a non-U.S. financial institution.

"**FFI Agreement**" refers to an agreement concluded between the FFI and the IRS, under which an FFI agrees to comply with certain reporting, client due diligence and withholding requirements.

"**Finance**" refers to Finance, an area of Group Functions.

"**Fitch**" refers to Fitch Ratings Ireland Limited.

"**Former ABN AMRO Group**" refers to the former group of ABN AMRO headed by ABN AMRO Holding N.V. as acquired on 17 October 2007 by the Consortium through RFS Holdings.

"**Former Fortis group**" refers to the former group of companies headed by Fortis SA/NV (renamed "ageas SA/NV") and Fortis N.V. (renamed "ageas N.V.").

"**FSC**" refers to Financial Stabilisation Committee.

"**GMSA**" refers to the Global Master Services Agreement dated August 31, 2005 between ABN AMRO Bank and IBM.

"**Group Audit**" refers to Group Audit, an area of Group Functions.

"**Group Legal Merger**" means the legal merger between ABN AMRO Bank N.V. and ABN AMRO Group N.V. which became effective on 29 June 2019.

"**IASB**" refers to International Accounting Standards Board.

"**IBM**" refers to International Business Machines Corporation.

"**ICAAP**" refers to internal capital adequacy assessment process.

"**ICS**" refers to International Card Services B.V.

"**IFRS**" refers to International Financial Reporting Standards.

"**IFRS-EU**" refers to International Financial Reporting Standards as adopted by the European Union.

"**IGA**" refers to an Inter-governmental Agreement between the local Government in a so called IGA jurisdiction and the U.S. to facilitate the implementation of FATCA.

"**ILAAP**" refers to Internal Liquidity Adequacy Assessment Process.

"**Interchange Fees Regulation**" refers to Regulation (EU) 2015/751 of the European Parliament and of the Council of 29 April 2015 on interchange fees for card-based payment transactions.

"**IPO**" refers to an initial public offering.

"**IRS**" refers to the United States Internal Revenue Service.

"**LECL**" refers to Individual Lifetime ECL.

"**Legal Demerger**" refers to the legal demerger effectuated on 6 February 2010 in accordance with the demerger proposal filed with the Amsterdam Chamber of Commerce on 30 September 2009, thereby demerging the majority of the Dutch State acquired businesses formerly held by NatWest Markets N.V. into ABN AMRO Bank Standalone.

"**Legal Merger**" refers to the legal merger effectuated on 1 July 2010 between ABN AMRO Bank Standalone and FBN. ABN AMRO Bank Standalone was the surviving entity and FBN was the disappearing entity.

"**Legal Separation**" refers to the transfer on 1 April 2010 of the shares of ABN AMRO Bank Standalone from ABN AMRO Holding to the former ABN AMRO Group N.V.

"**MiFID**" refers to the Markets in Financial Instruments Directive 2004/39/EC.

"**MiFID II**" refers to the Markets in Financial Instruments II Directive (2014/65/EU) and the Markets in Financial Instruments Regulation (Regulation 600/2014) (as amended).

"**MoneYou**" refers to MoneYou B.V.

"**Moody's**" refers to Moody's France SAS.

"**MMFR**" refers to Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on Money Market Funds.

"**MMFs**" refers to money market funds.

"**Neuflize Vie**" refers to Neuflize Vie S.A.

"**NLFI**" refers to *Stichting administratiekantoor beheer financiële instellingen* (trade name NL Financial Investments).

"**OTC**" refers to over-the-counter.

"**PRIIPs Regulation**" refers to Regulation (EU) No 1286/2014 (as amended).

"**Prospectus Regulation**" refers to Regulation (EU) 2017/1129 (as amended).

"**PSD 2**" refers to Directive 2015/2366/EU (as amended).

"**NatWest Markets N.V.**" refers to NatWest Markets N.V., formerly known as ABN AMRO Bank N.V. prior to the Legal Demerger.

"**REA**" refers to risk exposure amount.

"**Risk Management**" refers to Risk Management, an area of Group Functions.

"**RWA**" refers to risk weighted assets.

"**SFDR**" refers to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.

"**S&P**" refers to S&P Global Ratings Europe Limited.

"**SMEs**" refers to small and medium enterprises.

"**SR**" refers to the Single Rulebook, a pillar of the EU banking union.

"**SREP**" refers to the supervisory review and evaluation process.

"**SRM**" refers to the Single Resolution Mechanism, a pillar of the EU banking union.

"**SRM Regulation**" refers to Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund (as amended).

"**Supervisory Board**" refers to ABN AMRO's supervisory board.

"**UCITS**" refers to Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.

"**U.S. person**" refers to a "U.S. person" as defined in Regulation S.

"**Wft**" refers to the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) and its subordinate and implementing decrees and regulations.

Abbreviations

AIRB	Advanced Internal Ratings-Based
ALM	Asset & Liability Management
AMA	Advanced Measurement Approach
bp	Basis point
CET1	Common Equity Tier 1
CVA	Credit Value Adjustment
EBA	European Banking Authority
EU	European Union
FTEs	Full-time equivalents (a measurement of number of staff)
GAAP	General Accepted Accounting Principles
IAS	International Accounting Standards
IMA	Internal Models Approach
IT	Information Technology
NHG	<i>Nationale Hypotheek Garantie</i> (Dutch State guaranteed mortgages)
RARORAC	Risk-Adjusted Return on Risk-Adjusted Capital
REA	Risk Exposure Amount
SA	Standardized Approach
SREP	Supervisory Review and Evaluation Process
UCITS	Undertakings for Collective Investment in Transferable Securities (directives)

5. PRESENTATION OF FINANCIAL INFORMATION

The financial results of ABN AMRO as at and for the year ended 31 December 2022 are reported on a consolidated basis in the annual financial statements of ABN AMRO Bank N.V. (the "**2022 Consolidated Annual Financial Statements**"). The discussion and analysis in "7. *Operating and Financial Review*" of ABN AMRO's results of operations for the year ended 31 December 2022 as compared to the year ended 31 December 2021 are based on reported results which are derived from the 2022 Consolidated Annual Financial Statements.

The financial results of ABN AMRO as at and for the year ended 31 December 2021 are reported on a consolidated basis in the annual financial statements of ABN AMRO Bank N.V. (the "**2021 Consolidated Annual Financial Statements**"). The discussion and analysis in "7. *Operating and Financial Review*" of ABN AMRO's results of operations for the year ended 31 December 2021 as compared to the year ended 31 December 2020 are based on reported results which are derived from the 2021 Consolidated Annual Financial Statements.

Pursuant to Regulation 1606/2002/EC of the European Parliament and the Council of July 19, 2002 and related regulations, effective January 1, 2005, the Issuer has adopted IFRS as endorsed by the European Union ("**IFRS-EU**"). The 2022 Consolidated Annual Financial Statements and the 2021 Consolidated Annual Financial Statements have been prepared in accordance with IFRS-EU (see "7. *Operating and Financial Review – 7.1 Summary of Financial Information Policies*"). IFRS-EU differs in certain significant respects from U.S. GAAP. No financial statements or financial information included herein have been prepared or presented in accordance with U.S. GAAP or the accounting rules and regulations adopted by the SEC ("**SEC Rules and Regulations**"). As a result, the financial information included herein may differ substantially from financial information prepared in accordance with U.S. GAAP and the SEC Rules and Regulations. It is not practicable for the Issuer to prepare its financial statements in accordance with U.S. GAAP and the SEC Rules and Regulations or to prepare any reconciliation of its consolidated annual financial statements and related footnotes. In making an investment decision, investors must rely upon their own examination of the Issuer's financial position, operation and cash flows, the terms of the offering and the financial information presented herein. Potential investors are urged to consult their own professional advisors for an understanding of the differences between IFRS-EU and U.S. GAAP, and of how those differences might affect the financial information presented herein. Please refer to "7. *Operating and Financial Review – 7.1 Summary of Financial Information Policies*" for a more detailed discussion of the financial information included and incorporated by reference in this Registration Document.

The financial information set forth in a number of tables in this Registration Document has been rounded to the nearest whole number. Accordingly, in certain instances, the sum of the numbers in a column may not conform exactly to the total figure given for that column.

6. THE ISSUER

ABN AMRO is a full-service bank that provides individuals, businesses, institutions and others with banking services and products, such as loans, mortgages, payments, savings, advice and asset management. ABN AMRO's focus is on The Netherlands and the rest of Northwest Europe, with over 20,000 employees worldwide. ABN AMRO has nearly completed the wind-down of its non-core Corporate & Institutional Banking activities outside Europe, except for Clearing (as further discussed below). ABN AMRO aims to be a personal bank in the digital age and aims to serve clients where it has scale in The Netherlands and Northwest Europe.

1.1 History and recent developments

The formation of ABN AMRO is the result of various legal and operational separations, combinations, and restructurings arising from the acquisition of ABN AMRO Holding N.V. by the Consortium in October 2007. In October 2008, the Dutch State acquired FBN. In December 2008, the Dutch State directly acquired FBN's interest in RFS Holdings B.V. This interest comprised Dutch commercial clients (SMEs and corporates), Dutch consumer clients and Dutch and international private clients (including the international diamonds and jewellery business) of the Former ABN AMRO Group.

As a result of the Legal Demerger and Legal Separation, ABN AMRO Bank was formally separated from the Former ABN AMRO Group and transferred to ABN AMRO Group by 1 April 2010. Effective 1 July 2010, FBN and ABN AMRO Bank merged to form the new ABN AMRO Bank, at the time a wholly-owned subsidiary of the former ABN AMRO Group.

On 1 April 2010, ABN AMRO completed the sale of the EC Remedy Businesses to Deutsche Bank. This sale was a prerequisite set by the European Commission for the integration of the Dutch State acquired businesses and FBN into the new ABN AMRO Bank. The operational separation of the EC Remedy Businesses was finalized in 2012.

With effect from 1 June 2015, the former ABN AMRO Group has withdrawn its statement of joint and several liability within the meaning of Article 403, subsection 1, paragraph f, Book 2 of the Dutch Civil Code (*Burgerlijk Wetboek*).

On 1 July 2015, Dutch Parliament approved the Dutch Government's decision to return ABN AMRO to the private market and on 20 November 2015 the former ABN AMRO Group was listed and trading in the depositary receipts for ordinary shares commenced.

On 17 November 2016, Stichting Administratiekantoor Beheer Financiële Instellingen (NL Financial Investments, "**NLFI**"), on behalf of the Dutch state, agreed to sell additional depositary receipts representing shares in the former ABN AMRO Group. Following the settlement, the stake of NLFI declined from 77% to 70%.

On 28 June 2017, additional depositary receipts representing ordinary shares in the former ABN AMRO Group were sold. Following the settlement, the stake of the Dutch State further declined from 70% to 63%.

On 15 September 2017 additional depositary receipts representing ordinary shares in the former ABN AMRO Group were sold. Following the settlement, the stake of the Dutch State further declined from 63% to 56%.

On 21 December 2017, NLFI announced that it has transferred approximately 59.7 million ordinary shares in the former ABN AMRO Group to STAK AAG in exchange for an equal amount of depositary receipts for ordinary shares in ABN AMRO.

In February 2019, ABN AMRO announced its intention to simplify its group structure by executing a legal merger between ABN AMRO Bank and ABN AMRO Group (the "**Group Legal Merger**"). The Group Legal Merger was completed on 28 June 2019 and became effective on 29 June 2019. As a result of the Group Legal Merger, ABN AMRO Group has ceased to exist. The Group Legal Merger aimed to improve regulatory capital ratios (including the leverage ratio, see also the paragraph below), optimise administrative processes and lower administrative costs. The activities of ABN AMRO Group have been integrated and will be continued in ABN AMRO Bank.

The Group Legal Merger had a positive impact on several capital ratios, removed the maximum distributable amount shortfall and simplified administrative processes.

In August 2020, ABN AMRO announced the outcome of its review of the Corporate & Institutional Banking (CIB) business (now part of the client unit Corporate Banking, as discussed below in chapter 1.2.3 ("*Business description – Corporate Banking*"). Going forward CIB will focus on clients in Northwest Europe and Clearing and will exit all non-European CIB activities (except for Clearing). Trade & Commodity Finance activities will be discontinued completely. Natural Resources and Transportation & Logistics will focus on European clients only. In addition, stricter lending criteria and credit limits have been set to contribute to a moderate risk profile. As a result, CIB has been split into core and non-core activities. ABN AMRO continues to wind down its CIB non-core activities. The CIB non-core activities wind-down has been nearly completed.

On 11 October 2021, ABN AMRO announced to simplify its organizational setup and appoint new Executive Board members. Effective from January 2022, ABN AMRO replaced its previous four business lines (Retail Banking, Private Banking, Commercial Banking and Corporate & Institutional Banking) with three client units organised around client segments: Personal & Business Banking, Wealth Management and Corporate Banking, as further discussed below (see chapter 1.2 ("*Business description*") below). As part of the new simplified organizational setup ABN AMRO simplified its top management structure. The Executive Committee ceased to exist in favour of a single eight-member Executive Board.

On 9 February 2022, ABN AMRO announced an inaugural share buyback programme of EUR 500 million and on 12 May 2022 it announced that it completed this programme.

On 8 February 2023, ABN AMRO announced a further share buyback programme of EUR 500 million, as further described below in chapter 1.6 ("*Recent developments*").

On 10 February 2023, NLF I announced its intention to sell depositary receipts for shares in ABN AMRO through a pre-arranged trading plan. The maximum number of depositary receipts that can be sold over the duration of the trading plan would reduce NLF I's stake in ABN AMRO to slightly below 50%. The Relationship Agreement (as defined below) entitles NLF I to sell any number of depositary receipts, whether or not in the open market, in accordance with the orderly market arrangements as set out in the Relationship Agreement.

1.2 Business description

ABN AMRO is organised into Group Functions and three client units: Personal & Business Banking, Wealth Management and Corporate Banking (as described below).

Aligned with these three client units ABN AMRO is organised into seven product units. These product units serve all clients of ABN AMRO, regardless of which client unit a client is in.

1.2.1 Personal & Business Banking

Business scope and clients

Personal & Business Banking is the client unit focusing on serving our consumer clients with assets up to EUR 500,000 and business clients with revenue up to EUR 25 million and medical professionals. The focus of this client unit is on translating its clients' needs to digital and standardised solutions, but also on giving expert advice when needed. Personal & Business Banking is split into three client segments: Consumer Clients, Affluent Clients and Business Clients & Ecosystems. Furthermore, it is responsible for developing digital tools and services for the whole bank. The various client units are subsequently responsible for implementing these digital solutions. Personal & Business Banking is aligned with the product units Transactions Banking and Home Financing.

Main subsidiaries

The Personal & Business Banking client unit of ABN AMRO is supported by the following main subsidiaries (this list is not exhaustive):

ABN AMRO Hypotheken Groep

ABN AMRO Hypotheken Groep B.V. ("**AAHG**") offers all ABN AMRO labelled residential mortgage products, including Florius brands.

Alfam

Alfam Holding N.V. ("**Alfam**") provides consumer loans under various labels, including Defam, GreenLoans and ABN AMRO.

International Card Services

International Card Services B.V. ("**ICS**") issues, promotes, manages and processes various credit cards in partnership with companies, including credit card transactions and offers other financial services, such as revolving credit facilities.

ABN AMRO Verzekeringen

Nationale-Nederlanden ABN AMRO Verzekeringen Holding B.V. ("**ABN AMRO Verzekeringen**") is an associate of ABN AMRO Bank (49%). NN Group N.V. holds the remaining 51% in this joint venture. ABN AMRO Verzekeringen offers insurance products and services under the ABN AMRO brand.

New10

New10 provides SMEs in The Netherlands with standard loans through a fully digital product offering.

1.2.2 Wealth Management

Business scope and clients

Wealth Management is the client unit focusing on clients with more than EUR 500,000 in assets under management that need expertise in the areas of financial planning, investment and other specialised solutions. Wealth Management focuses on clients in The Netherlands, Belgium, France and Germany. In The Netherlands it uses the ABN AMRO Mees Pierson brand. In Belgium, France and Germany the brands used are ABN AMRO Private Banking Belgium, Neuflyze OBC and Bethmann Bank. Wealth Management is aligned with the product unit Wealth Products.

Main subsidiaries

The Wealth Management client unit of ABN AMRO is supported in France and Germany by the following main subsidiaries (this list is not exhaustive):

Banque Neuflyze OBC

Banque Neuflyze OBC S.A. offers a private banking model based on an integrated approach to private and commercial wealth, articulated around dedicated advisory and product offers.

Neuflyze Vie

Neuflyze Vie S.A. is a joint venture of Banque Neuflyze OBC (60%) and AXA (40%). It was created to offer life insurance products to high net-worth and ultra-high net-worth individuals and has developed customised solutions.

Bethmann Bank (former main subsidiary of ABN AMRO)

On 10 October 2022, Bethmann Bank AG, a private bank and enjoying a strong local heritage and brand recognition in the German market, merged into ABN AMRO Bank N.V. As a result of the merger, Bethmann Bank AG is no longer a main subsidiary of ABN AMRO Bank N.V. However, ABN AMRO

Frankfurt branch (operating under the Bethmann Bank label) offers all private banking and private wealth management related services, covering all major regions of Germany under the Bethmann Bank label.

1.2.3 Corporate Banking

Business scope and clients

Corporate Banking is the client unit providing services to large corporate clients in The Netherlands and Northwest Europe, focusing on specific client needs with specialised products and solutions using as much standardisation as possible. This client unit focuses on two segments: Commercial Clients and Corporate & Institutional Clients. Commercial Clients serves corporate clients with revenues between EUR 25 million and EUR 100 million and focuses primarily on Dutch clients. Corporate & Institutional Clients serves corporate and institutional clients in specific sectors in The Netherlands as well as Northwest Europe, with a revenue of EUR 100 million or more. CIB non-core, as discussed above, (see "*The Issuer – 1.1 History and recent developments*" above), is also part of the Corporate Banking client unit. Corporate Banking is aligned with the product units Financing Solutions, Markets, Clearing and Asset Based Finance.

Main subsidiaries

The Corporate Banking client unit of ABN AMRO is supported by the following main subsidiaries (this list is not exhaustive):

ABN AMRO Clearing Bank

ABN AMRO Clearing Bank N.V. is a global leader in derivatives and equity clearing. It is one of the few players currently offering global market access and clearing services on more than 85 of the world's leading exchanges and operates from several locations across the globe.

ABN AMRO Asset Based Finance N.V.

ABN AMRO Asset Based Finance N.V. provides asset-based solutions (working capital solutions, equipment leases, equipment loans and vendor lease services) to its customers in The Netherlands, France, Germany and the United Kingdom.

ABN AMRO Groenbank B.V.

ABN AMRO Groenbank B.V. provides financing for sustainable and green investments based on the 'Green Scheme', a facility through which the Dutch government encourages sustainable investments.

ABN AMRO – ODDO BHF B.V.

The joint venture ABN AMRO – ODDO BHF B.V. provides equity brokerage services and focuses on the Benelux region. Both ABN AMRO and ODDO BHF have an equal share in this strategic partnership.

1.2.4 Group Functions

Group Functions is organised into the following main departments: Innovation & Technology, Finance, Risk Management, Group Audit, Strategy & Innovation, Legal & Corporate Office, Brand, Marketing & Communications and HR. The majority of Group Functions' costs are allocated to the relevant businesses.

Innovation & Technology

Innovation & Technology supports ABN AMRO by facilitating innovation, managing ABN AMRO's programs (such as product rationalisation, and driving consistency and consolidation across customer processes), and providing services in the areas of technology, information security, data, back-office processing, facilities management and procurement. Innovation & Technology has a group-wide scope in both The Netherlands and internationally. Its key deliverable is the IT transformation, which focuses on automation (by implementing the DevOps way of working), optimising the workforce (by right-sourcing and up-skilling) and reducing complexity by adopting cloud services. Detecting Financial Crime (DFC) is also part of Innovation & Technology and assesses new and existing clients (client due diligence) and detects unusual transactions (transaction monitoring). DFC focuses on areas such as money laundering, bribery and corruption, tax integrity, terrorist financing and sanctions.

Finance

Finance aims to help keeping ABN AMRO on track to achieve the goals defined in its long-term strategy. It is the primary supplier of management and reporting information to ABN AMRO's internal and external stakeholders. Finance aims to have an important role in the financial planning process and to play an independent role in delivering management information and ensuring financially sound business cases and decisions. Finance aims to provide a strong financial control environment and to ensure compliance with relevant accounting standards and requirements set by the regulatory authorities. It consists of the following main departments: Financial Accounting, Controlling, Investor Relations, Asset & Liability Management, Treasury and Tax.

Risk Management

Risk management aims to secure a sound risk/reward ratio by maintaining a bank-wide, moderate risk profile as part of ABN AMRO's long-term strategy. This risk profile is managed on the basis of an integrated risk management framework. All identified risk events are assessed and mapped according to risk types, sub-risk types and overarching risks in order to provide a single, integrated view of the risk profile of ABN AMRO and its various businesses. Risk Management aims to take careful account of this integrated risk profile and aims to balance actions so as to ensure that the moderate risk profile is maintained. The main risk types are credit risk, market risk in the banking book, market risk in the trading book, liquidity risk, business risk and operational (non-financial) risks. Underlying these main risk types are various sub-risk types. Risk appetite statements are set both for the main and the sub-risk types. These six main risk types aim to cover all possible events that directly impact the franchise value of ABN AMRO which includes its financial value but also its 'goodwill', i.e. the value of ABN AMRO's reputation.

Included in the Risk Management function is Compliance. The Compliance function is a bank-wide integrated function that maintains oversight of the countries in which ABN AMRO operates. Compliance aims to protect ABN AMRO, its clients and its employees against compliance risks and behavioural risks which can be defined as the risk of failure to comply with legislation and regulations, self-regulatory organisation standards, values and principles, and codes of conduct, or generally accepted market standards applicable to ABN AMRO's services and activities, the risk that actions, decisions and behaviour by ABN AMRO or its employees will lead to detrimental or poor outcomes for clients, employees, society or ABN AMRO itself, and the risk that ABN AMRO fails to maintain high standards of ethical behaviour and integrity.

Group Audit, Strategy & Innovation, Legal & Corporate Office, Brand, Marketing & Communications and HR

Group Audit aims to provide independent oversight and control, on behalf of ABN AMRO's senior and executive management, of the core processes, policies and procedures that are designed to ensure ABN AMRO complies with both the letter and spirit of general and industry-specific legislation and regulations. Group Audit is part of the third line of defence and in this way, it aims to help protect ABN AMRO's reputation. Strategy & Innovation focuses on innovation, strategy and the implementation of various strategic initiatives and activities, including acquisitions and divestments, and strategic programmes for ABN AMRO and its stakeholders. Additionally, it formulates ABN AMRO's overall sustainability strategies and ensures that sustainable banking is embedded in ABN AMRO's business practices. Legal aims to be the exclusive and independent legal services provider for ABN AMRO and part of the second line of defence. It supports the business units (as 'risk owners') in performing their duties and responsibilities within the framework of the first line of defence. The Corporate Office supports the Supervisory Board, Executive Board, Executive Committee and employee council and advises them on executing their activities and responsibilities. In addition, it plays a central role in overseeing ABN AMRO's group governance. Brand, Marketing & Communications aims to position ABN AMRO as a sustainable organisation with a clear purpose and to improve ABN AMRO's reputation through a dialogue with its stakeholders. It also aims to prevent reputational damage and to manage and improve ABN AMRO's reputation, brand name and brand value in The Netherlands and abroad in a consistent manner. HR is also part of Group Functions.

Group Functions is supported by the following main subsidiaries (this list is not exhaustive):

ABN AMRO Funding USA LLC

ABN AMRO Funding USA LLC is active in the US market, issuing ABN AMRO's US dollar Commercial Paper funding for clients operating in the US and for clients with US dollar loans.

ABN AMRO Captive N.V.

ABN AMRO Captive N.V. is a captive reinsurance company.

Transactie Monitoring Nederland B.V.

Transactie Monitoring Nederland B.V. is a participating interest of ABN AMRO Bank (30%). Other major Dutch banks hold the remaining shares.

1.3 Regulation

Regulation and supervision in the European Union

The European Union is working on a broad range of measures aimed at bringing more stability and transparency to the European financial sector. Major developments include the implementation of Basel III and IV, CRD and CRR, the creation of a banking union, the European Market Infrastructure Regulation (EMIR), the revised Markets in Financial Instruments Directive and Markets in Financial Instruments Regulation (together, MiFID II), the Bank Recovery and Resolution Directive (BRRD), a renewed Deposit Guarantee Scheme Directive (DGS), the Packaged Retail Investment Products (PRIIPs) Regulation, the Mortgage Credit Directive, the Payment Services Directive (PSD 2), the General Data Protection Regulation (GDPR) and the EU Banking Reforms.

New proposals are continuously being introduced at global, European and national levels. Regulations are becoming more stringent and supervision stricter. Implementing the new laws and regulations may be costly and could have an impact on ABN AMRO's business. ABN AMRO continues to allocate a significant amount of resources to prepare for these changes.

Solvency Supervision

ABN AMRO is subject to an evolving regulatory landscape with respect to the supervision of its solvency and capital adequacy.

Capital adequacy framework (Basel III)

In December 2010, the Basel Committee issued two prudential framework documents ("*Basel III: A global regulatory framework for more resilient credit institutions and banking systems*" and "*Basel III: International framework for liquidity risk measurement, standards and monitoring*") which comprise the Basel III capital and liquidity reform package ("**Basel III**"). The Basel III documents were revised in June 2011 and further post-crisis regulatory reforms were endorsed by the Basel Committee in December 2017.

The Basel III framework was transposed into EU law by the CRR and CRD IV. The CRR and CRD IV have been amended, following adoption of a comprehensive reform package first announced by the European Commission in November 2016, by:

- Directive 2019/878 (EU) amending CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures ("**CRD V**"). EU Member States were required to transpose CRD V by 28 December 2020; and
- Regulation (EU) 2019/876 amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements ("**CRR II**"). CRR II largely applied in the EU from 28 June 2021.

Basel IV

In the first quarter of 2016 the Basel Committee published a consultative paper proposing changes to the IRB approaches. The Basel Committee proposed, amongst other things, to remove the option to use the

IRB approaches for certain exposure classes, to introduce the probability of default ("PD") and the loss given default ("LGD") floors for exposure classes that are still permitted under IRB approach, a greater use of supervisory Credit Conversion Factors (CCF) and constraints on exposure at default (EAD) estimation processes. In its final standards, the Basel Committee has (i) removed the option to use the advanced IRB (A-IRB) approach for certain asset classes, (ii) adopted "input" floors (for metrics such as PD and LGD) to ensure a minimum level of conservatism in model parameters for asset classes where the IRB approaches remain available and (iii) provided greater specification of parameter estimation practices to reduce RWA (REA) variability. Furthermore, in January 2017 the EBA published its guidelines on the application of the definition of default under the CRR which guidelines apply to the IRB approach and the standardized approach for credit risk (the "**EBA Definition of Default Guidelines**"). The EBA Definition of Default Guidelines have become effective as of 1 January 2021 and will have an impact on total default exposure, RWAs, impairments and all related credit quality indicators.

In April 2016, the Basel Committee issued a consultative document on the revision to the Basel III leverage ratio framework. Among the areas subject to proposed revision in this consultative document were the change in the calculation of the derivative exposures and the credit conversion factors for off-balance sheet items. In April 2017 the Basel Committee published its final guidance on the definitions of two measures of asset quality – "non-performing exposures" and "forbearance". The Basel Committee's definitions of both terms are built on commonalities in the existing definitions and harmonise the quantitative and qualitative criteria used for asset categorization. In its final standards (as described above), the Basel Committee indicated that the leverage ratio buffer requirement on 1 January 2022 (which, following deferral, came into effect on 1 January 2023) would be based on the FSB's 2020 list of G-SIBs (based on year end-2019 data).

On 7 December 2017, the Basel Committee published final standards informally known as Basel IV, which will be implemented in the EU through amendments to CRD V and CRR II. The reforms to be introduced by Basel IV include the introduction of capital floors based on standardized approaches and revisions to the standardized approaches for credit risk, operational risk, market risk and the revision of the credit valuation adjustment framework for treatment of counterparty credit risk.

Basel IV requires banks using internal models for RWA (REA) calculation to floor their RWAs at 72.5% of the revised standardized RWAs. Basel IV is expected to have a significant impact on RWA (REA), where mortgages and corporates are the most affected portfolios. The output floor is to be implemented over a phase-in period of five years.

On 27 October 2021, the European Commission published legislative proposals to implement the requirements of Basel IV in the EU (the "**EU Banking Package 2021**"). The EU Banking Package 2021 contains (among other things) proposals for:

- a regulation amending CRR II as regards requirements for credit risk, credit valuation adjustment (CVA) risk, operational risk, market risk and the output floor; and
- a directive amending CRD V as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance matters (see below).

On 8 November 2022, the Council of the EU agreed a position on the implementation of the EU Banking Package 2021. The Council of the EU will start negotiations with the European Parliament in order to agree on a final version of the proposed regulation. Thus, the final versions of the proposed regulation and directive may not include all elements set out in the European Commission's proposal and new or amended elements may be introduced through the course of the legislative process. As a general matter, the European Commission intends for the regulation amending CRR II to apply from 1 January 2025, with certain exceptions set out in Article 2(2), and for Member States to adopt and publish measures implementing the directive amending CRD V 18 months from the date of its entry into force and to apply those measures from the following day.

Capital requirements

Basel III (as implemented in the EU) is structured around three "pillars":

- Pillar 1 sets out minimum regulatory capital requirements, namely the minimum amount of capital banks must hold against credit, operational and market risks.

- Pillar 2 sets out the key principles for supervisory review of an institution's risk management framework and, ultimately, its capital adequacy. It also sets out specific oversight responsibilities for the board and senior management, thus reinforcing principles of internal control and other corporate governance practices. Pillar 2 requires each institution to conduct an internal capital adequacy assessment process ("**ICAAP**").
- Pillar 3 aims to bolster market discipline through enhanced disclosure by banks.

ABN AMRO current compliance with the Basel III capital adequacy framework

Basel III Pillar 1

The Pillar 1 capital requirement is the absolute minimum amount of capital required of a bank to cover the three major risk types that a bank faces: credit risk, operational risk and market risk as determined in the Basel III, Pillar 1 framework.

For credit risk the advanced internal rating-based (AIRB) approach is used to calculate approximately 90% of the RWA (REA). For the portfolios not reported under AIRB ABN AMRO applies the standardised approach to calculate RWA (REA).

ABN AMRO has implemented the Internal Models Approach ("**IMA**") for calculating market risk capital for the trading book and submitted the application for IMA to the regulator for approval. ABN AMRO obtained formal approval from the regulator for the use of the IMA approach for calculating regulatory capital in February 2016.

Since the start of 2017, ABN AMRO has used its internal Advanced Measurement Approach ("**AMA**") model for calculating regulatory capital. This AMA model is also used to calculate economic capital for operational risks. The bank applies a 99.95% confidence level to calculate the operational risk economic capital, whereas a 99.9% confidence level is applied to calculate regulatory operational risk capital. The bank does not use insurance or other risk transfer mechanisms for calculating the operational risk capital.

Basel III Pillar 2

ABN AMRO's capital requirement under Pillar 2 is based on internal models for economic capital and the view of the regulator, as expressed in the ICAAP and Supervisory Review and Evaluation Process (SREP). The economic capital models were integrated in 2011 to ensure suitability for the merged bank. Economic capital requirements are monitored monthly and reported in quarterly capital adequacy assessments reports and in the yearly ICAAP statement. ABN AMRO also delivers an Internal Liquidity Adequacy Assessment Process ("**ILAAP**") report to the regulator on an annual basis.

In addition to regulatory capital, ABN AMRO also calculates economic capital (EC) and uses it as the key metric for internal risk measurement and management. Economic capital is the amount of capital ABN AMRO needs to hold to achieve a sufficient level of protection against large unexpected losses that could result from extreme market conditions. Economic capital is used for risk aggregation to determine the required capital, for capital allocation, part of ex-post performance measurement (RARORAC) in combination with risk adjusted return on equity and risk appetite setting, e.g. industry concentration risk limits. Economic capital figures are also used at the transactional level in loan pricing tools in combination with regulatory capital. These tools serve as a decision-making mechanism for assessing the attractiveness of a new transaction, in terms of risk-adjusted return on capital. Economic capital is based on internal assessments and requirements. For the calculation of economic capital, ABN AMRO has internal models. With these models economic capital is calculated on a 99.95% confidence level and a one-year time horizon.

Stress testing is an important management instrument used by ABN AMRO. The main objective of stress testing is to ensure that ABN AMRO operates within its moderate risk appetite, to increase risk awareness throughout ABN AMRO and to safeguard business continuity by means of proactive management and the review of potential future scenarios. ABN AMRO applies stress testing on a regular basis to assess the effect of potential plausible but unlikely events and developments on ABN AMRO. These events may be systemic (e.g. multi-year macro-economic stress) or ABN AMRO-specific. Bank-wide stress testing, as applied by ABN AMRO, takes into account all material risks ABN AMRO is exposed to. The following types of stress tests are executed:

- Sensitivity analysis to identify the sensitivity between specific risk drivers and ABN AMRO's financials;
- Scenario analysis to gain insight into potential scenarios that are considered relevant; and
- Reverse stress testing to gain insight into events that would break ABN AMRO's minimum capital and liquidity ratios, results of which are used in contingency planning.

ABN AMRO's Scenario & Stress Test Committee (which is a sub-committee of the Group Risk Committee) and the Executive Committee are extensively involved in bank-wide stress testing. They discuss and decide on scenario development, impact determination and management actions. As part of the overall risk management framework, ABN AMRO performs internal stress tests to assess the capital and liquidity adequacy based on internally developed stress testing scenarios and identified risk factors. In the stress scenario, it has been assumed that the economy is hit by several shocks simultaneously. The scenario variables include, amongst others, GDP, unemployment rate, property prices, interest rates, inflation and equity prices.

Based on the latest stress test results no additional capital actions were required. The stress test results have been incorporated into capital planning by taking into account the minimum capital levels under stress. Besides bank-wide stress testing, ABN AMRO performs stress testing by focusing on specific portfolios or business lines. Furthermore, ABN AMRO participates in *ad hoc* stress test exercises as requested by regulatory bodies, such as DNB and EBA.

Basel III Pillar 3

ABN AMRO reports on its Pillar 3 disclosures in a separate report.

Banking Union

The EU banking union consists of three pillars governed by the rules of the Single Rulebook ("**SR**"): the Single Supervisory Mechanism ("**SSM**"), the Single Resolution Mechanism ("**SRM**") and the European Deposit Insurance Guarantee Scheme ("**EDIGS**").

- *Single Supervisory Mechanism*

Under the SSM, the ECB has become the primary supervisor for the prudential supervision of credit institutions in participating Member States that qualify as "significant credit institutions" as of 4 November 2014. In the European Union, around 113 credit institutions are identified as significant banks, and ABN AMRO is one of them. The ECB is responsible for market access, among other things, and supervises capital requirements and governance.

In advance of the SSM, the ECB carried out a comprehensive assessment which comprised a supervisory risk assessment, an asset quality review and a stress test. The supervisory risk assessment was to review (quantitatively and qualitatively) key risks, including liquidity, leverage and funding. The asset quality review was to enhance the transparency of bank exposures by reviewing the quality of banks' assets, including the adequacy of asset and collateral valuation and related provisions. Finally the stress test was to examine the resilience of banks' balance sheets to stress scenarios.

- *Single Resolution Mechanism*

On 19 August 2014, the SRM Regulation, which introduced the SRM, entered into force. The SRM provides for a single resolution framework, a single resolution board ("**Resolution Board**") and a single resolution fund ("**Resolution Fund**").

The primary geographic scope of the SRM is the euro area and SRM applies to the Issuer as a primary recovery and resolution code complementing the Dutch implementation measures relating to the BRRD. The Resolution Board has resolution powers over the institutions that are subject to the SRM, thus replacing or exceeding the powers of the national authorities. The Resolution Board shall draw up and adopt a resolution plan for the entities subject to its powers, including the Issuer. It shall also determine, after consultation with competent authorities, a minimum requirement for own funds and eligible liabilities subject to write-down and conversion powers which the Issuer will be required to meet at all times. The Resolution Board may also use the powers of early intervention as set forth in the SRM Regulation,

including the power to require an institution to contact potential purchasers in order to prepare for resolution of institution. The Resolution Board has the authority to exercise the specific resolution powers pursuant to the SRM similar to those of the national authorities under the BRRD. The resolution tools available to the Resolution Board include the sale of business tool, the bridge institution tool, the asset separation tool and the Bail-in Tool as further specified in the SRM. The use of one or more of these tools is included in the resolution plan adopted by the Resolution Board.

Pursuant to the SRM, the Bail-in Tool may be applied to recapitalise an institution to restore its ability to comply with the licensing conditions and to sustain market confidence in the institution or to convert claims or debts to equity or reduce their principal amount. The Bail-in Tool covers bonds and notes issued by the institution subject to resolution measures, but certain defined instruments are excluded from the scope, such as covered bonds.

The Issuer will only be eligible for contribution to loss absorption by the Resolution Fund after a resolution action is taken if shareholders or the holders of relevant capital instruments and other eligible liabilities have made a contribution (by means of a write-down, conversion or otherwise) to loss absorption and recapitalization equal to an amount not less than 8% of the total liabilities (including own funds and measured at the time of the resolution action). On 27 June 2019, Regulation (EU) 2019/877 amending the SRM Regulation entered into force. See for further information on the Resolution Fund "7. *Operating and Financial Review – 7.2 Key factors affecting results of operations*".

- Single Rule Book

The key pillars of the SR are the rules on stronger prudential requirements of CRD (as discussed above), the deposit guarantee scheme and a framework for bank recovery and resolution.

- *CRD / CRR*

CRD and CRR transpose the Basel III Final Recommendations into the EU legal framework. CRD and CRR apply from 1 January 2014 and have set, *inter alia*, stronger prudential requirements for banks. The new rules will make EU banks more solid and will strengthen their capacity to adequately manage the risks linked to their activities and absorb losses they may incur in doing business. Furthermore, these new rules will strengthen the requirements regarding banks' corporate governance arrangements and processes, for example regarding diversity within management and rules on bonuses. The Issuer expects the European Banking Authority (EBA) to continue to introduce technical standards, guidelines and recommendations, further defining EU banks' obligations. In addition, on 23 November 2016, the European Commission published the EU Banking Reforms which are wide-ranging and cover multiple areas, including the Pillar 2 framework, a binding 3% leverage ratio, the introduction of a binding detailed NSFR, permission for reducing own funds and eligible liabilities, macroprudential tools, a new category of "non-preferred" senior debt, the MREL framework, the integration of the TLAC standard into EU legislation (see below under "FSB Standard for Total Loss-Absorbing Capacity") and the transposition of the fundamental review of the trading book (FRTB) conclusions into EU legislation. See also the risk factor "27. *The financial services industry is subject to intensive and complex regulations. Major changes in laws and regulations as well as enforcement action could adversely affect the Issuer's business, financial position and results of operations*" for the risks relating to, amongst others, changes in law and regulation which may have a material adverse impact on the Issuer.

- *EU Deposit Guarantee Scheme Directive and euro-wide deposit insurance scheme (EDIS)*

On 15 April 2014, the European Parliament adopted the new EU Deposit Guarantee Scheme Directive (the "**DGS Directive**") which was published in the Official Journal of the EU on 12 June 2014. The DGS Directive was generally required to be transposed into national law by 3 July 2015. In The Netherlands a decree implementing the DGS Directive was adopted by the Dutch Minister of Finance on 26 November 2015. The DGS continues to guarantee repayment of certain client deposits up to EUR 100,000 held at European banks in the event of bankruptcy or resolution. The funding of the DGS has been amended from an ex-post funded system to a partially ex-ante funded system. This means that participating financial institutions will have to contribute to the scheme on a periodic basis

rather than facing charges only when an actual insolvency event occurs requiring them to compensate the clients of the affected financial institutions. The new ex-ante funding system was required to be transposed into national law by 3 July 2015, however the requirement for the relevant deposit guarantee schemes to have available means at the target level of 0.8% of the amount of covered deposits held with its members, including the Issuer, must be achieved by 3 July 2024. Contributions are based on the covered deposits of the bank and risk based contributions. The Netherlands may also impose minimum contributions. The ex-ante funding system has increased the Issuer's expenses in connection with the DGS. In addition, if the available financial means of the relevant DGS is insufficient to repay depositors when deposits become unavailable, an additional contribution may be required, which will in principle not exceed 0.5% of the covered deposits held with the Issuer per calendar year. Additional requirements of the DGS Directive include a broadening of the scope of clients for whom the deposit guarantee will be available (in addition to consumer deposits, deposits of businesses will be included, whereas prior to such change only companies who published abridged annual accounts fall within its scope), information requirements to customers and the shortening of the period for making payments under the DGS Directive from 20 working days (until 31 December 2018) to 7 working days (from 1 January 2024). Based on national legislation (*Besluit Bijzondere Prudentiële maatregelen, beleggerscompensatie en depositogarantie Wft*) the information requirements (i.e., pre contractual information and the provision of information at least once a year on deposits that are covered by the DGS) apply as of 1 January 2015.

On 24 November 2015, the European Commission proposed EDIS for bank deposits and has set further measures to reduce remaining risks in the banking sector in parallel. The scheme would develop over time and in three stages. It would consist of a re-insurance of national Deposit Guarantee Schemes (DGS), moving after three years to a co-insurance scheme, in which the contribution of EDIS will progressively increase over time. In June 2022, the Eurogroup did not agree to a more comprehensive work plan to complete the Banking Union by including EDIS. Instead, the Eurogroup invited the European Commission to table more targeted legislative proposals for reforming the EU framework for bank crisis management and national deposit insurance.

While the European Commission's proposal adopted on 24 November 2015 to establish EDIS is still pending, on 18 April 2023, the European Commission adopted a proposal to adjust and further strengthen the EU's existing bank crisis management and deposit insurance (CMDI) framework, with a focus on medium-sized and smaller banks. The proposal facilitates the use of deposit guarantee schemes in crisis situations to shield depositors (natural persons, businesses, public entities, etc.) from bearing losses, where this is necessary to avoid contagion to other banks and negative effects on the community and the economy. The level of coverage of €100,000 per depositor and bank, as set out in the DGS Directive, remains for all eligible EU depositors. However, the proposal harmonises further the standards of depositor protection across the EU. The new framework extends depositor protection to public entities (i.e. hospitals, schools, municipalities), as well as client money deposited in certain types of client funds (i.e. by investment companies, payment institutions, e-money institutions). The proposal further includes additional measures to harmonise the protection of temporary high balances on bank accounts in excess of €100,000 linked to specific life events (such as inheritance or insurance indemnities).

- *Bank Recovery and Resolution Directive*

On 12 June 2014, the BRRD was published in the Official Journal of the European Union. EU Member States were required to adopt and publish the laws, regulations and administrative provisions necessary to implement the BRRD by 31 December 2014 and to apply their implementing measures from 1 January 2015, with the Bail-in Tool for other eligible liabilities to apply from 1 January 2016, at the latest. The measures as set out in the BRRD (including the Bail-in Tool) have been implemented in national law with effect from 26 November 2015. It was amended on 7 June 2019 with effect from 27 June 2019 by a further directive as part of the EU Banking Reforms (as defined above) in order to

implement, amongst other things, the Financial Stability Board's total loss absorbing capacity (TLAC) standard by adapting the existing regime relating to MREL.

The BRRD sets out a common European recovery and resolution framework which is composed of three pillars: preparation (by requiring banks to draw up recovery plans and resolution authorities to draw up resolution plans), early intervention powers and resolution powers. The stated aim of BRRD is, similar to the Dutch Intervention Act, to provide relevant authorities with common tools and powers to address banking crises preemptively in order to safeguard financial stability and minimize taxpayers' exposure to losses. It also provides for a national, prefunded resolution fund that each Member State will have to establish and build up. All banks will have to pay into these funds, and contributions will be higher for banks that take more risks.

On 23 November 2016, the European Commission published the EU Banking Reforms which make certain amendments to, amongst others, the BRRD. See also the risk factor 27. *"The financial services industry is subject to intensive and complex regulations. Major changes in laws and regulations as well as enforcement action could adversely affect the Issuer's business, financial position, results of operations"* for the risks relating to, amongst others, changes in law and regulation which may have a material adverse impact on the Issuer.

On 27 December 2017, the directive (EU) 2017/2399 on the ranking of unsecured debt instruments in insolvency hierarchy (Bank Creditor Hierarchy) which proposed to amend the BRRD was published. The directive changes the insolvency hierarchy and introduces a new statutory category of unsecured "non-preferred" senior debt for banks. This category will rank just below the ordinary senior debt and other senior liabilities for the purposes of resolution, but will still rank as part of the senior unsecured debt category (only as a "non-preferred" senior debt). The directive does not affect the existing stock of bank debt and would only apply to debt when designated as such by the issuing bank. A bill implementing the requirement for senior non-preferred debt in The Netherlands came into force in December 2018.

On 7 June 2019, the BRRD was amended with effect from 27 June 2019 by a further directive (BRRD Directive II (Directive 2019/879/EU)) as part of the EU Banking Reforms in order to implement, amongst other things, the Financial Stability Board's total loss absorbing capacity (TLAC) standard by adapting the existing regime relating to MREL, which was implemented into Dutch law on 21 December 2021.

On 18 April 2023, the European Commission adopted a proposal to adjust and further strengthen the EU's existing bank crisis management and deposit insurance (CMDI) framework. According to the European Commission, the amendments included in the CMDI package cover a range of policy aspects and constitute a coherent response to identified problems, among which

- expanding the scope of resolution by reviewing the public interest assessment, when this achieves the objectives of the framework, e.g. protecting financial stability, taxpayer money and depositor confidence better than national insolvency proceedings;
- strengthening the funding in resolution by complementing the internal loss absorbing capacity of institutions;
- amending the ranking of claims in insolvency and ensuring a general depositor preference with a single-tier depositor preference, with the aim of enabling the use of DGS funds in measures other than payout of covered deposits;
- ensuring a timely triggering of resolution; and
- improving depositor protection (e.g. targeted improvements of DGS Directive provisions on scope of protection and cross-border cooperation, harmonisation

of national options, and improvement of transparency on financial robustness of DGSs).

In order for the European Commission's proposal to become EU law, the draft legislation will need to follow the ordinary legislative procedure.

Recovery and resolution plans

As required by the BRRD, the Issuer is required to draw up and maintain a recovery plan. This plan must provide for a wide range of measures that could be taken by the Issuer for restoring its financial position in case it significantly deteriorated. The Issuer must submit the plan to the Competent Authority for review and update the plan annually or after changes in the legal or organisational structure, business or financial situation that could have a material effect on the recovery plan. Keeping the recovery plan-up-to-date will continue to require monetary and management resources.

The resolution authorities responsible for a resolution in relation to the Issuer draw up the Issuer's resolution plan providing for resolution actions it may take if the Issuer would fail or would be likely to fail. In drawing up the Issuer's resolution plan, the resolution authorities will identify any material impediments to the Issuer's resolvability. Where necessary, the resolution authorities may require the Issuer to remove such impediments. This may lead to mandatory legal restructuring of the Issuer, which could lead to high transaction costs, or could make the Issuer's business operations or its funding mix to become less optimally composed or more expensive. The resolution authority may also determine, after consultation with competent authorities, a minimum requirement for own funds and eligible liabilities (MREL) calculated as a percentage of total liabilities and own funds and taking into account the resolvability, risk profile, systemic importance and other characteristics of the bank, subject to write-down and conversion powers which the Issuer will be required to meet at all times. This may result in higher capital and funding costs for the Issuer, and as a result adversely affect the Issuer's profits and its ability to pay dividends. See also the risk factor "30. *Resolution regimes may lead to fewer assets of the Issuer being available to investors for recourse for their claims, and may lead to lower credit ratings and possibly higher cost of funding*" for the risks relating to the resolution regimes which may have a material adverse impact on the Issuer.

Early intervention

If the Issuer does not comply with or, due to a rapidly deteriorating financial position, would be likely not to comply with capital or liquidity requirements in the near future, the resolution authorities will have the power to impose early intervention measures. A rapidly deteriorating financial position could, for example, occur in the case of a deterioration of the Issuer's liquidity situation, increasing level of leverage and non-performing loans. Intervention measures include the power to require changes to the legal or operational structure of the Issuer, the power to make changes to the Issuer's business strategy, and the power to require the Issuer's Executive Board to convene a general meeting of shareholders, set the agenda and require certain decisions to be considered for adoption by the general meeting. Furthermore, if these early intervention measures are not considered sufficient, the Competent Authority may replace management or install a temporary administrator. A special manager may also be appointed who will be granted management authority over the Issuer instead of its existing executive board members, in order to implement the measures decided on by the Competent Authority.

Resolution measures

If the Issuer were to reach a point of non-viability, the resolution authorities could take pre-resolution measures. These measures include the write-down and cancellation of shares, and the write-down or conversion into shares or other instruments of ownership of capital instruments.

Furthermore, BRRD and SRM provide resolution authorities with powers to implement resolution measures with respect to banks which meet the conditions for resolution, which may include (without limitation) the sale of the bank's business, the separation of assets, the Bail-in Tool, the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments and discontinuing the listing and admission to trading of financial instruments. The Bail-in Tool comprises a more general power for resolution authorities to write-down the claims of unsecured creditors of a failing bank and to convert unsecured debt claims to equity.

Subject to certain exceptions, as soon as any of these proposed proceedings have been initiated by the relevant resolution authority, as applicable, the relevant counterparties of such bank would not be entitled to invoke events of default or set off their claims against the bank for this purpose.

When applying the resolution tools and exercising the resolution powers, including the preparation and implementation thereof, the resolution authorities are not subject to (i) requirements to obtain approval or consent from any person either public or private, including but not limited to the holders of shares or debt instruments, or from any other creditors, and (ii) procedural requirements to notify any person including any requirement to publish any notice or prospectus or to file or register any document with any other authority, that would otherwise apply by virtue of applicable law, contract, or otherwise. In particular, the resolution authorities can exercise their powers irrespective of any restriction on, or requirement for consent for, transfer of the financial instruments, rights, assets or liabilities in question that might otherwise apply. As detailed above, under the heading – *Single Resolution Mechanism*, the Resolution Board has taken on many of the powers and responsibilities assigned to resolution authorities in the BRRD.

MiFID II

In April 2004, the Markets in Financial Instruments Directive 2004/39/EC ("**MiFID**") came into force. MiFID regulated the provision of investment services and investment activities and replaced the Investment Services Directive 1993/22/EEC, which established the single European passport for investment firms. MiFID provided a harmonized regime for investment services and investment activities and aimed to increase competition and reinforce investor protection. It streamlined supervision on the basis of home country control and enhanced the transparency of markets. Furthermore, MiFID harmonized conduct of business rules, including best execution, conflict of interest, customer order handling rules and rules on inducements. MiFID abolished the concentration rule, creating a more competitive regime between order execution venues. It furthermore imposed market transparency rules on investment firms, regulated markets and multilateral trading systems for both pre- and post-trading for, *inter alia*, equities.

On 15 May 2014 the European Parliament and the Council of the European Union formally adopted updated rules for investment firms and markets in financial instruments. The rules consist of a Directive ("**MiFID II Directive**") and a Regulation with direct force in the EU ("**MiFIR**") (together, "**MiFID II**"). Most rules of the MiFID II Directive began to apply from 3 January 2018, on which date the predecessor MiFID was repealed. MiFID II covers matters such as market infrastructure, investor protection and supervisory powers. MiFID II increased equity market transparency and established a principle of transparency for non-equity instruments such as bonds and derivatives. MiFID II introduced trading controls for algorithmic trading activities. MiFID II provided for strengthened supervisory powers and a harmonised position limits regime for certain commodity derivatives to improve transparency, support orderly pricing and prevent market abuse. MiFID II's purpose also included measures intended to achieve stronger investor protection by introducing additional or enhanced organisational requirements and operating conditions for investment firms, such as on product governance, conflicts of interest and reporting to clients. A harmonised regime for granting access to EU markets for firms from third countries is based on an equivalence assessment of third country jurisdictions by the European Commission. As MiFID II significantly extended not only the scope but also the detail of existing (MiFID) regulations, the Issuer reviewed its then-existing activities and, where it deemed necessary, adjusted the manner in which it operates. ABN AMRO has also provided more information to its clients, such as about the costs and charges involved in providing investment services.

On 25 November 2021, the European Commission made a proposal for an amendment of MiFID II. In particular, the proposal focusses on enhancing market data transparency, removing obstacles to the emergence of a consolidated tape, optimising the trading obligations and prohibiting receiving payment for forwarding client orders. Consolidated tape is a continuous electronic live data stream providing price and volume data per financial instrument. The proposals are currently being discussed by the European Parliament and the Council. The European Parliament's Committee on Economic and Monetary Affairs (ECON) adopted its reports on 1 March 2023 and also decided on entering into trilogue negotiations on that basis.

EMIR

Regulation (EU) 648/2012 of 4 July 2012, the European Market Infrastructure Regulation ("**EMIR**"), on over-the-counter ("**OTC**") derivatives, central counterparties and trade repositories entered into force on 16 August 2012. EMIR has been amended several times since then, and several regulatory technical

standards supplementing EMIR have been adopted by the European Commission. EMIR introduced requirements intended to improve transparency and reduce the risks associated with the derivatives market. EMIR also establishes common organisational, conduct of business and prudential standards for central counterparties ("CCPs") and trade repositories. The main obligations relevant for ABN AMRO under EMIR are (i) central clearing for certain classes of OTC derivatives, (ii) the application of risk mitigation techniques for non-centrally cleared OTC derivatives and (iii) reporting of both exchange traded and OTC derivatives transactions. EMIR applies directly to any entity (financial as well as non-financial) established in the EU that has entered into a derivative contract, and applies indirectly to non-EU counterparties trading with EU parties.

For non-centrally cleared OTC derivatives, ABN AMRO needs to comply with certain operational risk management requirements, including timely confirmation, portfolio reconciliation, record keeping and the increased exchange of collateral. The implementation of EMIR increased ABN AMRO's reporting requirements on outstanding and new derivative contracts. ABN AMRO is obliged to report both exchange traded and OTC derivative transactions to an authorised or recognised trade repository or (where no trade repository is available to record the details of a derivative contract) to ESMA.

In February 2022, the European Commission issued a targeted consultation on a review of the central clearing framework in the EU. The aim of the consultation was to seek feedback on possible measures, legislative and/or non-legislative, to improve the competitiveness of EU CCPs and clearing activities as well as to ensure that their risks are appropriately managed and supervised. The input received to the consultation has contributed to an assessment of the current CCP supervisory framework, as provided for under Article 85(7) EMIR.

In December 2022, the European Commission published a proposal for a Regulation amending, amongst others, EMIR as regards measures to mitigate excessive exposures to third-country central counterparties and improve the efficiency of Union clearing markets ("**EMIR 3**"). According to the European Commission, since 2017 concerns have been repeatedly expressed about the ongoing risks to EU financial stability arising from the excessive concentration of clearing in some third-country CCPs. Therefore, the European Commission's proposal aims to make the equivalence framework in EMIR more proportionate. Furthermore, the proposal seeks to improve the competitiveness of EU CCPs and of EU clearing activities, thereby increasing liquidity at EU CCPs with the aim to reduce the risks posed to the EU financial stability by excessive exposures to third-country CCPs. In this respect, the proposal requires all market participants subject to a clearing obligation to hold active accounts at EU CCPs for clearing products that have been identified by ESMA as of substantial systemic importance for the EU financial stability.

The proposal for EMIR 3 is complemented by a proposal for a Directive introducing a limited number of changes to CRD, the Investment Firms Directive (2019/2034, "**IFD**") and the UCITS Directive (2009/65/EU) as regards the treatment of concentration risk towards CCPs and the counterparty risk on centrally cleared derivative transactions. The European Commission believes that these amendments are necessary to ensure that the objectives of this EMIR review are achieved as well as to assure coherence. The proposals will now be discussed in the European Parliament and the European Council.

Packaged Retail and Insurance-based Investment Products

Packaged Retail and Insurance-based Investment Products ("**PRIIPs**") are investment products offered to retail clients in 'packaged' form, which are exposed to investment risks irrespective of whether the products in question are securities, insurance or banking-based. Investors do not invest directly in the underlying investment products; instead, the provider of the investment product combines, includes or groups together different assets in the packaged product.

Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") requires a key information document ("**KID**") to be provided when offering PRIIPs to certain clients. This document must include information on the features, risks and costs of the PRIIPs product. The PRIIPs Regulation covers, among other products, insurance-based investment products, structured investment products and collective investment schemes. The PRIIPs Regulation entered into force on 29 December 2014 and has applied directly in all Member States from 1 January 2018. The PRIIPs Regulation is currently under review by the European Commission.

On 2 May 2022, the European Supervisory Authorities (EBA, EIOPA and ESMA) published their technical advice to the European Commission, which will serve as input to the European Commission's work to

develop a strategy for retail investments and to make appropriate adjustments to the PRIIPs legislative framework.

Mortgage Credit Directive

The European Parliament has adopted mortgage lending rules: the Mortgage Credit Directive 2014/17/EU on credit agreements for consumers relating to residential immovable property adopted on 4 February 2014 (the "**Mortgage Credit Directive**"). The Mortgage Credit Directive aims to afford high level consumer protection throughout the EEA in respect of relevant credit agreements. In summary, the directive applies to credit agreements secured on residential property or otherwise relating to residential property. The main provisions of the directive include consumer information requirements. In the pre-contractual phase, certain standardized information must be included in any advertising for credit agreements detailing information on the interest rate or indicating figures relating to costs. In addition, banks are required to ensure that consumers are provided with personalised information needed to compare mortgage products available in the market. The directive obligates banks to conduct a documented creditworthiness assessment before granting the loan. The directive also imposes requirements on early repayment. Consumers must have the right to discharge fully or partially their obligations under a credit agreement prior to its expiry. In such cases, the consumer shall be entitled to a reduction in the total cost of the credit, such reduction consisting of the interest and the costs for the remaining duration of the contract. The requirements referred to above may adversely impact the Issuer's business model. The rules pursuant to the Mortgage Credit Directive (as implemented in Dutch law) entered into force on 14 July 2016.

PSD 2, Interchange Fees Regulation and Cross-border Payments Regulation

On 24 July 2013, the European Commission adopted a new legislative package in the field of the EU payments framework. The package included a proposal for a revised Payment Services Directive ("**PSD 2**") and a Regulation on Interchange Fees for Card-Based Payment Transactions ("**Interchange Fees Regulation**").

The PSD 2 has been finalised and was published as a consolidating new Directive (2015/2366) in the Official Journal of the European Union on 23 December 2015. The PSD 2 has replaced the previous Payment Services Directive (2007/64/EC) as from 13 January 2018. The main objectives of PSD 2 are to (i) contribute to a more integrated and efficient European payments market, (ii) improve the level playing field (including new players), (iii) make payments safer and more secure, (iv) improve consumer protection, and (v) encourage lower prices for payments.

The Interchange Fees Regulation (2015/751) was published in the Official Journal of the European Union on 19 May 2015, and applies from 8 June 2015, with the exception of certain provisions that apply from 9 December 2015 and other provisions that apply from 9 June 2016. The main objective of the Interchange Fees Regulation is to create a level playing field by removing barriers between national payment markets and allowing new entrants to enter the market, driving down the fees that retailers pay their banks and ultimately allowing consumers to benefit from lower retail prices.

Key elements of the PSD 2 that could impact ABN AMRO are: (i) access to payment accounts by other parties than the bank where the customer holds an account (Third Party Access), and (ii) security requirements. Third Party Access as described in the PSD 2 may force the Issuer to make substantial investments and expose it to more or intensified competition and can be a threat as parties other than banks focus on the customer-engagement components of the value chain and leave the commoditized transactional components to banks which could lead to disintermediation. Security is and will remain a core element in the service offering of banks whereby it is important that the security requirements in the PSD 2 strike the right balance between ease of use and risk.

Key elements of the Interchange Fees Regulation that could impact ABN AMRO are caps on the amount of interchange fees that can be charged and related transparency requirements, which limit the profits that can be derived from transaction fees on cards issued by banks and increases their cost base.

In September 2020, the European Commission's Digital Finance Strategy and Retail Payments Strategy announced the launch of a comprehensive review of the application and impact of the PSD2 to assess whether legislation remains fit for purpose. Parallel to the evaluation of the PSD 2, the Digital Finance Strategy announced the European Commission's ambition to propose legislation on a broader 'open finance' framework. The aim of such a framework is to allow customer data beyond the scope of the PSD2 to be

shared and re-used by financial service providers for creating new and improved services, subject to customer agreement as well as the effective application of data protection rules and security safeguards.

On 10 May 2022, the European Commission launched specific consultations on the review of the PSD2 and on open finance, following which the European Commission published its report on the application and impact of the PSD 2 on 2 February 2023. Amendments to the PSD 2 could result in the imposition of additional compliance obligations and resulting costs and reduced profitability for the Issuer.

The second cross-border payments regulation (Regulation 2021/1230/EU on cross-border payments in the EU ("**CBPR2**")), which replaces the first cross-border payments regulation (Regulation 924/2009/EU), requires, *inter alia*, the Issuer to equalise the charges for the majority of EEA currency cross-border payments in the EEA with their domestic equivalents which may have an adverse effect on the profitability of the Issuer. CPBR2 has direct effect in The Netherlands. All provisions of CBPR2 have been in force since 19 April 2021.

Additionally, on 26 October 2022 the European Commission adopted a legislative proposal to amend the SEPA Regulation (Regulation (EU) No. 260/2012) to require banks to make instant payments in euro available to customers if they provide non-instant credit transfers in euro. Banks must also provide a service to check for consistency between the account number (known as 'IBAN') and the name of the payment beneficiary and, before the payer authorises the transaction, notify the payer about any inconsistency which could be indicative of fraud. The proposal aims to ensure that instant payments in euro are affordable, secure, and processed without hindrance across the EU. Fees for instant payments in euro must be equal to or lower than fees for non-instant euro credit transfers. This could reduce profitability, give rise to additional compliance costs in preparing to send and receive instant payments in euro, and implementing mechanisms for the service of matching the name and IBAN of payment beneficiaries.

Data Protection Regulation

In 2012 the European Commission presented its proposal to reform the general EU legal framework on the protection of personal data. The main policy objectives in this reform are to: (i) modernise the EU legal system for the protection of personal data, in particular to meet the challenges resulting from globalisation and the use of new technologies, (ii) strengthen individuals' rights and at the same time reduce administrative formalities to ensure a free flow of personal data within the EU and beyond, (iii) improve the clarity and coherence of the EU rules for personal data protection and achieve consistent and effective implementation of the privacy rules and application of the fundamental right to the protection of personal data in all areas of the EU's activities. The European Commission intends to achieve this by substituting the current EU Data Protection Directive of 1995 for a new EU general data protection regulation that will apply directly and uniformly throughout the European Union. This reform will have a major impact on the private sector and provides for significant fines, with fines that could amount to 4% of the worldwide turnover of a company or EUR 20 million, whichever one is higher. The Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "**GDPR**") was adopted on 27 April 2016 and applied from 25 May 2018. The GDPR, despite being a regulation and not a directive, allows member states to further enact local legislation on a number of aspects. This means that local implementation legislation may be enacted throughout Europe. In The Netherlands, the rules pursuant to the GDPR entered into force on 25 May 2018. In addition, on 10 January 2017 the European Commission published a draft regulation concerning the respect for private life and the protection of personal data in electronic communications and repealing Directive 2002/58/EC (the "**E-Privacy Regulation**"). The E-Privacy Regulation affects in principle only the telecommunications sector, however all other sectors are affected by it to the extent they make use of electronic communication means such as e-mail or telephone, or cookies or other similar techniques for commercial purposes. The fines for infringing the E-Privacy Regulation are the same as those of the GDPR. The text is not yet final and the impact on the industry still needs to be determined. The European Commission, the European Parliament and Council will first need to enter into the tripartite negotiations on the final text. The E-Privacy Regulation was intended to come in effect on 25 May 2018 (the date as from which the GDPR applies), but has not come into effect yet.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**European Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy,

Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The European Commission's proposal has a very broad scope and could, if introduced, apply to certain dealings in the notes issued by the Issuer (including secondary market transactions) in certain circumstances.

Under the European Commission's proposal, FTT could apply in certain circumstances to persons both inside and outside of the participating Member States. Generally, it would apply to certain dealings in notes issued by the Issuer where at least one party is a financial institution established in a participating Member State, and at least one party is established in a participating Member State. A financial institution may be or be deemed to be "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of notes issued by the Issuer are advised to seek their own professional advice in relation to the FTT.

Securities Financing Transaction Regulation

Other developments include a proposal adopted by the European Commission for a regulation on reporting and transparency of securities financing transactions. This securities financing transaction regulation came into force on 12 January 2016 (Regulation (EU) 2015/2365).

Supervision of insurance activities

As from 1 January 2016, the insurance companies in ABN AMRO must comply with a new solvency framework and prudential regime commonly referred to as "**Solvency II**". Solvency II consists of a European Directive (2009/138/EC) as implemented in Dutch law as per 1 January 2016, a European Regulation ((EU) 2015/35) and a number of technical standards and guidelines issued by EIOPA. Solvency II completely overhauled the solvency framework and prudential regime applicable to insurers and required them to make adaptations in many areas to comply with this new regime.

Solvency II consists of three pillars. The first pillar is made up of quantitative requirements, most importantly introducing a risk-based solvency capital requirement calculated on the basis of a market value consistent balance sheet and taking into account the actual risks run by the insurer and their interconnectedness. Only own funds that meet strict requirements are eligible to meet the solvency capital requirement. The second pillar complements the first with qualitative requirements regarding the governance of insurers. Rules in this pillar most importantly relate to the internal organisation of insurers including rules on key functions, risk management and the internal control of insurers. In the area of risk management the requirement of an own risk and solvency assessment (ORSA) was introduced requiring insurers to undertake a self-assessment of their risks, corresponding solvency requirements, and adequacy of own funds. The third pillar introduced a greater level of transparency, requiring extensive reporting to supervisory authorities and a solvency and financial condition report to be made public.

Insurers are also subject to conduct of business rules that are very similar to those applicable to banks. Insurers are furthermore subject to the PRIIPs Regulation, EMIR and the European Insurance Distribution Directive (2016/97/EU, "**IDD**") (as implemented in Dutch law). If insurers offer mortgage credit, they are also subject to the rules on mortgage lending. Anyone acquiring a qualifying holding in an insurer must comply with rules on structural supervision as is the case with respect to banks.

As is the case with respect to banks, Dutch insurers are subject to certain rules on recovery and resolution. On 1 January 2019, a new recovery and resolution regime came into force for Dutch insurers pursuant to the Act on recovery and resolution of insurance undertakings (*Wet herstel en afwikkeling van verzekeraars*, the "**Insurance Recovery and Resolution Act**"). The Insurance Recovery and Resolution Act sets out, *inter alia*, the resolution instruments that are available to DNB when the insurer meets the conditions for resolution, which may include (without limitation) the sale of the insurer's business, the separation of assets, bail-in and temporarily transferring (part) of an insurance undertaking to a semi-public entity. On 1 March

2023, a bill was submitted to Parliament to amend a few items in the Insurance Recovery and Resolution Act. The suggested amendments are not major but still important for an effective recovery and resolution of insurers. Some of the changes cover the same topics as those implemented by the amended BRRD framework for banks and investment firms (through the BRRD Directive II, 2019/879/EU), such as direct powers of DNB to dismiss some or all of the directors of a failing institution. In the explanatory notes to the latest bill, the Dutch legislator indicated that it aims to have the EU recovery and resolution framework for insurers (see below) aligned with the Dutch framework.

On 22 September 2021, the European Commission published a proposed directive on the recovery and resolution of insurance and reinsurance undertakings (the "**Insurance Recovery and Resolution Directive**"). The proposed Insurance Recovery and Resolution Directive is similar to the BRRD, i.e. the directive applicable to the recovery and resolution of banks in Europe. If adopted in its current form, it would provide for a variety of planning and preventative measures to minimise the likelihood of insurance undertakings requiring public financial support, and for the initiation of resolution procedures for insurance undertakings that are failing or likely to fail, where there is no prospect that private sector alternatives or supervisory measures can avert failure.

Insurance brokerage

On 23 February 2016 the IDD came into force and replaced Directive 2002/92/EC (the "**Insurance Mediation Directive**"). The Insurance Mediation Directive regulated brokers and other intermediaries selling insurance products. In contrast to the Insurance Mediation Directive, the scope of the IDD is extended to include all sellers of insurance products, focusing especially on market integration, fair competition between distributors of insurance products and policyholder protection. The Netherlands legislation implementing the IDD became effective on 1 October 2018.

Key features of the IDD are, among other things, mandatory disclosure requirements obliging insurance intermediaries to disclose to their customers the nature of remuneration they receive, including any contingent commissions, and in case the remuneration is directly payable by the customer the amount of the remuneration, or if the full amount of remuneration cannot be calculated, the basis of its calculation. Insurers carrying out direct sales will be required to comply with information and disclosure requirements and certain conduct of business rules, including a general obligation to act honestly, fairly and professionally in accordance with customers' best interests.

UCITS Directive/AIFM Directive/CBDR Rules/MMFR

Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("**UCITS Directive**") establishes a framework for the regulation and supervision of UCITS investment funds, allowing the cross-border offer of investment funds for retail investors regulated at EU level. Directive 2009/65/EC is the fourth version of UCITS legislation, replacing UCITS Directive 85/611/EEC. The UCITS Directive came into force on 7 December 2009 and was implemented in the Wft on 9 July 2011. Following its review of the application and scope of the AIFM Directive (see below), the European Commission considered that a number of issues highlighted in the AIFM Directive review were equally relevant for the activities of UCITS. Consequently, the European Commission's November 2021 legislative proposal aims to address these issues by amending the AIFM Directive and the UCITS Directive to better align their requirements.

Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers ("**AIFM Directive**"), together with the supplementing Regulation 231/2013 of 19 December 2012, establishes a framework for the regulation and supervision of the alternative investment fund ("**AIF**") industry, particularly hedge funds and private equity funds, but essentially covering all non-UCITS investment funds. The AIFM Directive lays down the rules for the authorisation, ongoing operation and transparency of the managers of alternative investment funds (AIFMs) which manage and/or market alternative investment funds (AIFs) in the European Union. The AIFM Directive came into force on 21 July 2011 and was implemented in the Wft on 22 July 2013. Following its review of the application and scope of the AIFM Directive, the European Commission published a proposal to amend the AIFM Directive on 25 November 2021 as regards delegation arrangements, liquidity risk management, supervisory reporting, provision of depositary and custody services and loan origination by AIFs ("**AIFMD II**"). In January 2023, the European Parliament reached political agreement on the proposal. Next steps include negotiations between representatives of the Parliament, the Council and the Commission to reach an

agreement on a final version of AIFMD II. The effective date of AIFMD II, once adopted, is not expected before 2025.

Special types of AIFs are long-term investment funds. Regulation (EU) 2015/760 of 29 April 2015 on European long-term investment funds (ELTIFs) lays down uniform rules on the authorisation, investment policies and operating conditions of EU AIFs or compartments of EU AIFs that are marketed in the EU as ELTIFs.

Regulation (EU) 2019/1156 on facilitating cross-border distribution of collective investment undertakings and Directive 2019/1160 amending the UCITS Directive and the AIFM Directive with regard to cross-border distribution of collective investment undertakings (the "**CBDF Rules**") introduce new rules relating to the cross-border marketing and distribution of (amongst others) AIFs and UCITS within the EU. Most rules of the Regulation became effective on 2 August 2021, while the Directive was implemented in The Netherlands on 29 October 2021 and became effective on 6 November 2021.

When directly or indirectly offering units or shares of AIFs or UCITS to, or placing such units or shares with investors, banks and investment firms must ascertain whether the units or shares are being marketed in accordance with the Wft and relevant European law.

On 20 July 2017, Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on Money Market Funds ("**MMFR**") came into force. The MMFR has introduced rules aimed at making money market funds ("**MMFs**") more resilient to crises and at the same time securing their financing role for the economy, which rules apply from 21 July 2018. MMFs are either UCITS or AIFs that invest in short-term financial instruments and have specific objectives. The MMFR aims to make MMFs safer and provide for more transparency, investor information and investor protection by requiring MMFs to diversify their asset portfolios, invest in high-quality assets, follow strict liquidity and concentration requirements and have sound stress testing processes in place.

Anti-money laundering

Pursuant to Directive (EU) 2015/849 (the "**4th Money Laundering Directive**"), EU Member States are required to establish a regime to provide (amongst other things) for financial institutions and certain other types of person to implement systems, controls, policies and procedures intended to combat money laundering and terrorist financing. Such measures must include the application of risk-based customer due diligence procedures. The 4th Money Laundering Directive has been transposed in The Netherlands through particularly the Dutch Anti-Money Laundering Act (*Wet ter voorkoming van witwassen en financieren van terrorisme*, "**Wwft**"). Amendments have been implemented in respect of (amongst other things) the introduction of a central data retrieval system to which banks should be connected for the purpose of sharing account information with certain governmental bodies (including tax authorities and the Dutch Financial Intelligence Unit), and requirements on national registers of beneficial ownership information of legal entities and express trusts and similar legal arrangements.

On 20 July 2021, the European Commission presented a package of legislative proposals to strengthen the EU's money laundering and terrorist financing (AML/CFT) rules, which is intended to harmonise such rules across the EU. The package consists of four legislative proposals:

- A Regulation establishing a new EU AML/CFT Authority;
- A Regulation on AML/CFT, containing directly-applicable rules, including in the areas of customer due diligence and beneficial ownership;
- A new Directive on AML/CFT, replacing the existing 4th Money Laundering Directive (as amended), containing provisions that will be transposed into national law, such as rules on national supervisors and Financial Intelligence Units in Member States; and
- A revision of the 2015 Regulation on Transfers of Funds (Regulation (EU) 2015/847) to provide for the traceability of transfers of crypto-assets.

The current planning is for the new AML/CFT Authority to be established in 2024 and to start carrying out direct supervision in 2026.

Furthermore, on 21 October 2022, the Dutch Minister of Finance submitted a bill (*Wet plan van aanpak witwassen*) with amendments to the Wwft, for discussion in parliament. The bill comprises four main amendments, the most important being the creation of a legal provision allowing banks to jointly monitor their retail clients' transactions involving more than EUR 100. In addition, institutions in scope of the Wwft will be required to share data on high-risk customers. There will also be a ban for traders on cash payments for goods of over EUR 3,000. The bill is the subject of a public debate on the privacy of retail clients. It is uncertain what the outcome of the public and political discussions will be and how this will affect the bill.

Sustainable finance

General

The development of sustainable finance regulations has received considerable attention recently. New regulations have been published, existing regulations have been amended and various supervisors and regulators have included sustainable finance in their workplans.

EU Taxonomy Regulation

Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "**EU Taxonomy Regulation**"), adopted by the European Parliament in June 2020, establishes a framework that provides for the adoption of criteria for determining whether an economic activity qualifies as environmentally sustainable. The EU Taxonomy Regulation is an essential step of the European Commission action plan on financing sustainable growth in the efforts to channel investments into sustainable activities. The detailed criteria for environmentally sustainable economic activities that contribute to one or more of the six environmental objectives identified by the EU Taxonomy Regulation will be introduced through the adoption of delegated legislation made under the EU Taxonomy Regulation. The first delegated act (Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021) on environmentally sustainable economic activities for climate change mitigation and climate change adaptation objectives has applied from 1 January 2022. This delegated act has been supplemented on 1 January 2023 by the complementary delegated act on climate change mitigation and climate change adaptation objectives covering the natural gas and nuclear energy sectors (Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022).

From 1 January 2022, the EU Taxonomy Regulation also requires undertakings that are subject to an obligation to publish non-financial information in accordance with the NFRD (defined below) to publicly disclose the proportion of their turnover derived from products or services associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of the EU Taxonomy Regulation; and the proportion of their capital expenditure and the proportion of their operating expenditure related to assets or processes associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of the EU Taxonomy Regulation. The content and presentation of this information is set out in a delegated act (Commission Delegated Regulation (EU) 2021/2178), and the level of detail will increase over time on a staggered basis.

ECB guide on climate-related and environmental risks

In November 2020, the ECB published a guide on climate-related and environmental risks for banks. The guide explains how the ECB expects banks to prudently manage climate-related and environmental risks when formulating and implementing their business strategy, governance and risk management frameworks and how they disclose such risks transparently.

In November 2021, the ECB published an assessment of how banks are adjusting their practices to manage climate-related and environmental risks, in line with the expectations set out in the November 2020 ECB guide on climate and environmental risks. The ECB found that, overall, 90% of banks' practices are only partially or not at all in line with ECB supervisory expectations. The ECB sent individual feedback letters to banks, calling on them to address any identified shortcomings.

The ECB has stated that it will continue its supervisory dialogue with significant banks such as ABN AMRO in relation to the expectations set out in the guide and will gradually integrate climate and environmental risk into its Supervisory Review and Evaluation Process ("**SREP**") methodology.

During 2022, the ECB conducted a thematic review of climate-related and environmental risks as part of the ECB Banking Supervision roadmap. The objective of the thematic overview was to assess the evolution of the soundness, effectiveness and comprehensiveness of banks' climate-related and environmental risk management practices, as well as banks' ability to steer their climate-related and environmental risk strategies and risk profiles. The ECB concluded that banks have overall improved their capabilities since 2021, but still need more sophisticated methodologies and granular information. The ECB has stated that its findings on climate and environmental risks are expected to feed into the SREP from a qualitative point of view. The ECB has set institution-specific deadlines for achieving full alignment with its expectations by the end of 2024, including the following milestones: (i) by March 2023 having adequately categorized climate and environmental risks and conducted a full assessment of their impact on bank's activities, (ii) by the end of 2023 having included climate and environmental risks in governance, strategy and risk management and (iii) by the end of 2024 having met all remaining supervisory expectations (including on capital adequacy and stress testing). In line with the ECB's expectations, the process of climate and environmental risk scenario analysis was adapted by ABN AMRO and formalized in its sustainability risk policy framework and enterprise risk management framework in 2022.

ECB climate stress tests and potential climate capital requirements

In September 2021, the ECB published the results of its economy-wide climate change stress test.

In January 2022, the ECB launched a supervisory climate risk stress test to assess how prepared banks are for dealing with financial and economic shocks stemming from climate risk in which ABN AMRO took part. The exercise was aimed at identifying vulnerabilities and industry best practices, and assessed the challenges faced by banks due to increasing climate risks. Even though the exercise was of a regulatory nature, it did not have any capital or SREP implications. The results and lessons learned from the ECB Climate Stress Test are expected to be integrated into a more robust framework to improve methodology, internal scenario development and data collection, and are expected to be used further in ABN AMRO's ICAAP.

European Commission proposals for reforms to Capital Requirements Regulation and Capital Requirements Directive

The EU Banking Package 2021 includes proposals for banks to systematically identify, disclose and manage sustainability risks (environmental, social and governance or ESG risks) as part of their risk management practices.

At present, the EU Banking Package 2021 does not include proposals to adjust banks' capital requirements to account for sustainability risks. Analysis on this topic is still expected to be published by the EBA in 2023.

In order for the EC's proposals to become law, the draft legislation will need to follow the ordinary legislative procedure.

Sustainable Finance Disclosure Regulation

Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the Sustainable Finance Disclosure Regulation, "**SFDR**") introduces various disclosure related requirements for ABN AMRO at an entity, service and product level. The majority of the new disclosure obligations took effect on 10 March 2021. The SFDR aims to create transparency on the integration of sustainability risks and how adverse sustainability impacts should be taken into account in investment processes, as well as on the provision of sustainability-related information on financial products. The disclosure requirements focus mainly on contractual and website disclosures, and on disclosures in periodic reports and marketing communications.

Developments regarding the Non-Financial Reporting Directive

In 2014, Directive 2014/95/EU on the disclosure of non-financial and diversity information (the Non-Financial Reporting Directive, "**NFRD**") was adopted. The NFRD lays down the rules on disclosure of non-financial and diversity information by large companies such as ABN AMRO. A supplement to the NFRD on the reporting of climate-related information was published in 2019 as part of the European

Commission action plan on financing sustainable growth. Recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) also set out requirements on this topic. To be able to report on these matters in its Annual Report, ABN AMRO is robustly embedding climate into its strategy, business model, governance, policies, risk management and key performance indicators.

As noted above, undertakings that are required to publish non-financial information under the NFRD, are also required to publicly disclose information regarding their alignment to the EU Taxonomy Regulation in their non-financial information.

On 5 January 2023, the Corporate Sustainability Reporting Directive ("**CSRD**") entered into force. The CSRD amends the existing reporting requirements of the NFRD and introduces more detailed reporting requirements on a company's risks and opportunities arising from social and environmental issues, as well as on the impact of the company's activities on people and the environment. In addition to the more detailed disclosure requirements, the CSRD requires companies to obtain assurance on the sustainability information they report. The new legislation will apply to all large companies and all listed companies, but application will take place in four stages. The first stage applies to companies already subject to NFRD (i.e. large public-interest companies with more than 500 employees), such as ABN AMRO. This means that ABN AMRO will have to apply the CSRD for the first time in its 2024 annual report.

MiFID II ESG

Following publication of the European Commission action plan on financing sustainable growth, Commission Delegated Regulation (EU) 2021/1253 of 21 April 2021 introduces amendments to Delegated Regulation (EU) 2017/565 (the MiFID II delegated regulation) to integrate sustainability factors, risk and preferences into certain organisational requirements and operating conditions for investment firms. Furthermore, Commission Delegated Directive (EU) 2021/1269 of 21 April 2021 introduces amendments to Delegated Directive (EU) 2017/593 (the MiFID II delegated directive) to integrate sustainability factors into the product governance obligations. Commission Delegated Regulation (EU) 2021/1253 entered into force in 2022. Commission Delegated Directive (EU) 2021/1269 has been implemented in Dutch law in 2022.

EU Green Bond Standard

In February 2023, a provisional agreement has been reached on the legislative proposal for the European green bond standard regulation between the Council of the EU and the European Parliament. The proposed regulation introduces voluntary requirements for issuers of bonds that wish to use the designation 'European green bond' or 'EuGB' for their bonds that are aligned with the EU Taxonomy Regulation. The provisional agreement still needs to be confirmed by the Council of the EU and the European Parliament, and adopted by both institutions before it is final.

Corporate Sustainability Due Diligence Directive

In February 2023, the European Commission published its proposal for a directive on corporate sustainability due diligence which, if adopted, would require large companies to carry out due diligence to identify and address adverse human rights and environmental impacts of their operations, subsidiaries and value chains, and to produce climate plans. In order for the European Commission's proposals to become EU law, the draft legislation will need to follow the ordinary legislative procedure.

Regulation and supervision in The Netherlands

General

The Dutch regulatory system applicable to ABN AMRO is a comprehensive system based on the provisions of the Wft which came into effect on 1 January 2007. The Wft sets out rules regarding prudential supervision (by DNB) and supervision of conduct (by the AFM). Prudential supervision focuses on the solidity of financial undertakings and contributes to the stability of the financial sector. Supervision of conduct focuses on orderly and transparent financial market processes, clear relations between market participants and due care in the treatment of clients (including supervision of the securities and investment businesses).

Prudential Supervision

The ECB is formally the competent authority responsible for the supervision of the Issuer's compliance with the prudential requirements including (i) the own funds requirements, securitisation, large exposure limits, liquidity coverage ratio and net stable funding requirements, the leverage ratio and the supervisory reporting and public disclosure of information on those matters and (ii) the requirement to have in place robust governance arrangements, including the fit and proper requirements for the persons responsible for the management of the Issuer, remuneration policies and practices and effective internal capital adequacy assessment processes (ICAAP), and for the carrying out of supervisory reviews and stress tests to determine whether a sound management and coverage of risks are ensured by the Issuer's arrangements, strategies, processes and mechanisms as well as for the carrying out of supervisory tasks in relation to recovery plans and early intervention. The ECB is also the competent authority to assess notifications of the acquisition of qualifying holdings in banks and to grant a declaration of no objection for such holdings.

Supervision by DNB

DNB is required to assist the ECB with the preparation and implementation of any acts relating to the supervisory tasks of the ECB and must follow instructions given by the ECB in that respect. In addition, DNB has remained the competent authority in respect of prudential requirements not having a basis in EU law such as the requirements in respect of customer due diligence and the liquidity requirements other than the liquidity coverage ratio and net stable funding requirements provided for by the CRR. DNB has also remained the competent authority under other supervisory laws and regulations relevant to ABN AMRO's business, such as anti-money laundering legislation.

As part of the Supervisory Review and Evaluation Process ("**SREP**") ECB and DNB may perform an analysis of the Issuer's business model and strategy, and form a view on its viability and sustainability. If necessary, they may take measures to address any problems and concerns. Such measures may include the requirement to make changes to the business plan and strategy, or require the Issuer to reduce risks that are inherent in certain products by requiring changes to the offering of these products or improvements of the governance and control arrangements around product development and maintenance. They may also include measures to reduce risks inherent to the Issuer's systems by requiring improvements of its systems or require the Issuer to account for more RWA or raise additional regulatory capital and eligible liabilities for MREL. Such measures may adversely impact the Issuer's capital position, MREL position, business and may force the Issuer to make substantial investments to meet the above requirements.

Dutch Intervention Act

In anticipation of the European Commission proposal for a crisis management framework, the Dutch Intervention Act entered into force in June 2012 (with retrospective effect to January 2012). The Dutch Intervention Act provides a framework ensuring timely and orderly resolution of financial institutions in the event of serious problems, without the necessity to enter into bankruptcy proceedings. It grants substantial powers to DNB and the Dutch Minister of Finance, enabling them to deal with ailing Dutch banks prior to insolvency.

The national framework for intervention with respect to banks by DNB has been replaced by the law implementing the resolution framework set out in the BRRD (as defined below). However, part of the powers granted to the Dutch Minister of Finance under the Dutch Intervention Act remain. The Dutch Minister of Finance may take measures or expropriate assets and liabilities of, claims against or securities issued by or with the consent of a financial firm (*financiële onderneming*) or its parent, in each case if it has its corporate seat in The Netherlands, if in the Minister of Finance's opinion the stability of the financial system is in serious and immediate danger as a result of the situation in which the firm finds itself.

Financial Markets Amendment Act 2024

A consultation document for the Financial Markets Amendment Act 2024 was published on 29 April 2022. One of the changes relates to the introduction of the obligation for insurers to subject themselves to disciplinary rules (*tuchtrecht*) in order to safeguard, and where necessary to improve, generally accepted standards in the insurance branche. Other changes relate to tightening measures and amendments to the Act on the Supervision of Trust Officer (*Wet toezicht trustkantoren 2018 (Wtt 2018)*), expanding the bonus prohibition in the case of state aid and amendments regarding prudential supervision on insurers in order to

enhance the protection of policy holders. It is not clear yet when the Financial Markets Amendment Act 2024 is expected to enter into force.

Financial Markets Amendment Act 2022

The Financial Markets Amendment Act 2022 entered into force in 2022. One of the changes related to the introduction of segregated bank accounts as a new means of safeguarding customer funds for payment institutions, investment firms, electronic money institutions and payment processing service providers. The introduction of a segregated payment account was aimed at addressing the shortcomings experienced with the method previously used by many Dutch financial institutions to segregate customer funds: the customer funds foundations (*stichting derdengelden*). Although commonly used in The Netherlands, a customer funds foundation is little known abroad. This complicates cross-border transactions, particularly as foreign parties sometimes refuse to pay to the customer funds foundation given their uncertainty that it discharges their debt to the financial institution. A foundation is also relatively costly and complex. The Financial Markets Amendment Act 2022 resolved these issues and also aligned Dutch law with the practice in other countries.

Mortgage Lending Rules

In The Netherlands, additional restrictions apply to the principal residence mortgage loan market for individuals. These restrictions have been introduced against the background of a stagnant Dutch economy and in an environment of decreasing house prices and a significant reduction in the volume of houses sold. The maximum loan amount for NHG is currently capped at EUR 405,000. This cap is related to the average value of houses. In addition, the Dutch government has further restricted the maximum permissible amount of a mortgage loan to 100% (or up to 106%, if the amount above 100% is used for sustainability matters) of the value of the property as from 1 January 2018. The lowering of this loan-to-value rate is expected to put further downward pressure on the total outstanding volume of mortgages in The Netherlands which could decrease the size of the Issuer's mortgage portfolio.

In The Netherlands, subject to a number of conditions, mortgage loan interest payments used to be fully deductible from the income of the borrower for income tax purposes. However, as from 1 January 2013, to be eligible for tax deductibility, new mortgage loans must be redeemed fully (100%) during the term of the loan based on an annuity or linear scheme. Existing mortgage loans are not impacted. However, for all mortgage loans, new and existing, the highest tax rate against which the mortgage interest may be deducted for income tax purposes is 36.93% in 2023, down from 40% in 2022. Changes to the deductibility of interest payments may, amongst other things, have an effect on house prices, which may result in an increase of defaults, prepayments and repayments of mortgage loans.

Ban on referral fees

On 1 January 2013, the Dutch government introduced a ban on referral fees relating to specific complex financial products, such as mortgages, life insurance and pension insurance. The goals are to increase transparency for consumers and ensure that the interests of consumers and their advisors are aligned. Financial advisors are required to provide transparency related to costs, terms of service and relations with relevant third parties and referral fees are prohibited for these products.

A similar ban on referral fees came into effect as of 1 January 2014 in relation to certain investment services, including, but not limited to, (i) individual portfolio management, (ii) investment advice and (iii) execution-only services, all in relation to financial instruments. The prohibition affects for instance inducement fees which used to be paid by investment funds to distributors. Under the new rules, only the client itself is allowed to pay commissions to the investment services provider. ABN AMRO has in response introduced new investment products in The Netherlands, which include advisory fees for investment advisory services and fees for execution only services. As of 1 January 2014, all clients who use these services must pay these fees. As of 1 January 2014, the majority of the funds held in discretionary portfolio management do not involve inducements or distribution fees. For the remaining minority of clients (primarily where clients wish to continue their investments in particular funds), ABN AMRO passes on amounts received to the individual clients.

Remuneration restriction, ban on bonuses

The Dutch government introduced rules in 2012 restricting the payment of bonuses by financial institutions that receive State support. The rules target both companies that will receive state support in the future as well as companies that have received state support in the past. The rules include a ban on performance-related variable remuneration (i.e. bonuses) as well as restrictions on other parts of the remuneration paid to managing directors and/or to persons determining the day-to-day policy of the financial institution. The rules also apply to institutions that do not receive state aid directly but are part of a state-aided group.

Conduct of business supervision

The Wft provides a comprehensive framework for the conduct of securities trading in or from The Netherlands. The body responsible for carrying out conduct of business supervision in The Netherlands is the AFM.

Conduct-of-business supervision focuses on ensuring orderly and transparent financial market processes, proper relationships between market participants and the exercise of due care by financial undertakings in dealing with clients.

Dutch bank tax

As of 1 October 2012, the Dutch government introduced a bank tax (*bankenbelasting*) for all entities that are authorised to conduct banking activities in The Netherlands. The tax is based on the amount of the total liabilities on the balance sheet of the relevant bank as at the end of such bank's preceding financial year, with exemptions for equity, for deposits that are covered by the Deposit Guarantee Scheme and for certain liabilities relating to the insurance business. For 2022 the levy on short-term funding liabilities is reduced from 0.066% to 0.044% and the levy on long-term funding liabilities is increased from 0.033% to 0.022%.

Due to the introduction of the bank tax, ABN AMRO incurred a EUR 150 million surcharge in 2021 and a EUR 97 million surcharge in 2022, increasing expenses and the cost/income ratio. This measure will lead to costs in subsequent years.

Regulation in the rest of the world

ABN AMRO's operations elsewhere in the world are subject to regulation and control by local supervisory authorities, and its offices, branches and subsidiaries in such jurisdictions are subject to certain reserve, reporting and control and other requirements imposed by the relevant central banks and regulatory authorities.

Dodd-Frank Act

The Dodd-Frank Act covers a broad spectrum of issues ranging from systemic supervision and enhanced prudential standards, to changes in the regulation of investment advisers and OTC derivatives markets, to measures aimed at improving consumer protection. Most of the impact on ABN AMRO's businesses results from the rules on OTC derivatives that are primarily used in the Markets business. For example, various provisions, such as mandatory clearing of swaps, trade execution through swap execution facilities, and reporting of OTC derivatives, apply to the Issuer when transacting with U.S. persons. Other provisions apply only if ABN AMRO is required to register as a swap entity with the applicable U.S. regulator.

The U.S. Commodity Futures Exchange Commission ("**CFTC**") and the SEC continue to issue regulations to implement the OTC derivatives provisions of the Dodd-Frank Act. The CFTC has issued all of its implementing rules; the SEC has adopted some of its implementing rules, while others have not yet been finalised. The final phase of the CFTC's rulemaking involves rules relating to capital of registered swap entities and margin for uncleared swaps, which are currently being phased in. Based on its current activity in U.S.-regulated derivatives markets, ABN AMRO has not registered as a swap dealer with the CFTC. While the SEC adopted final rules and forms for the registration of security-based swap dealers and major security-based swap participants in 2015, those rules are only now being phased in, with registration obligations for security-based swap dealers taking effect in August 2021 for entities whose dealing activities exceed certain thresholds. ABN AMRO is monitoring legal developments and OTC derivatives volumes to determine whether it needs to register with either the CFTC or the SEC.

FATCA

FATCA was enacted by U.S. authorities in March 2010. The objective of FATCA is to increase the ability to detect U.S. persons evading tax by holding accounts with non-U.S. (foreign) financial institutions ("**FFI**"). Based on sections 1471-1474 of the Code and Treasury Regulations thereunder, FATCA imposes a 30% withholding tax on U.S. source payments to an FFI, unless the FFI either concludes an agreement with the United States Internal Revenue Service (the "**IRS**"), under which an FFI agrees to comply with certain reporting, client due diligence and withholding requirements (an "**FFI Agreement**") or is based in certain so-called IGA jurisdictions, where the local government has concluded an inter-governmental agreement with the U.S. to facilitate the implementation of FATCA (an "**IGA**"). On 18 December 2013, the U.S. and The Netherlands entered into an IGA. All jurisdictions in which the Issuer operates have substantially concluded an IGA with the U.S.

ABN AMRO intends to remain FATCA compliant, and expects FATCA to continue having an impact on client on-boarding processes, client administration and reporting systems. In addition, clients may receive requests to provide additional or updated information and documentation.

Information exchange and reporting

There are various international and EU initiatives on automatic exchange of information for tax purposes (such as the OECD Common Reporting Standard and the amended EU Directive on Administrative Cooperation). These initiatives call on jurisdictions to obtain information from financial institutions such as ABN AMRO. The information so obtained will be automatically exchanged with other jurisdictions. These initiatives have had and will continue to have considerable impact on client on-boarding and administrative processes of ABN AMRO. Increasingly, countries in which ABN AMRO operates request ABN AMRO to report information in greater detail than had been required, including information related to deposits held, and dividends and interests received, by clients. The manner and detail of reporting requirements differs from country to country. Accordingly, an increasing number of requests are made to ABN AMRO and entering into relationships with new clients is becoming more complex. Therefore, ABN AMRO may be required to make significant investments in money and time in order to be able to continue to operate in all countries where it operates.

Sanctions

Sanctions are political instruments in the foreign and security policy of countries and international organisations (such as the United Nations and EU). Sanctions regimes imposed by governments, including those imposed by the European Union, US, including the Office of Foreign Assets Control, or other countries or international bodies prohibit ABN AMRO and its clients from engaging in trade or financial transactions with certain countries, businesses, organizations and individuals. These legislative, regulatory and other measures include anti-terrorism measures, international sanctions, blockades, embargoes, blacklists and boycotts imposed by, amongst others, the EU, the United States and the United Kingdom, but also by individual countries. Violation of sanction regimes may have material implications such as criminal penalties, administrative fines and the prohibition to do business in the country that proclaimed the sanctions.

See also, *inter alia*, the following risk factors which describe the different regulatory risks the Issuer is subject to: "24. *The regulatory environment to which the Issuer is subject is complex and gives rise to significant legal and financial compliance costs and management time, and non-compliance could result in monetary and reputational damages, all of which could have an adverse effect on the Issuer's business, financial position and results of operations*", "27. *The financial services industry is subject to intensive and complex regulations. Major changes in laws and regulations as well as enforcement action could adversely affect the Issuer's business, financial position and results of operations*", "12. *As a result of capital and/or liquidity requirements, the Issuer may not be able to manage its capital and liquidity effectively, which may adversely affect its business performance*", "30. *Resolution regimes may lead to fewer assets of the Issuer being available to investors for recourse for their claims, and may lead to lower credit ratings and possibly higher cost of funding*" and "31. *The Issuer is subject to stress tests and other regulatory enquiries, the outcome which could materially and adversely affect the Issuer's reputation, financing costs and trigger enforcement action by supervisory authorities. Stress tests could also bring to the surface information which may result in additional regulatory requirements or measures being imposed or taken which could have a material adverse effect on the Issuer's business, results of operations, profitability or reputation.*".

1.4 Legal and arbitration proceedings

ABN AMRO is involved in a number of governmental, legal and arbitration proceedings in the ordinary course of its business in a number of jurisdictions, including those set out in this section. Save as set out below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which ABN AMRO or the Issuer is aware) during the 12 months preceding the date of this Registration Document which may have, or have had in the recent past, significant effects on the financial position or profitability of ABN AMRO, the Issuer and/or its subsidiaries.

Madoff fraud

ABN AMRO, certain of its subsidiaries and some of their client funds had exposure to funds that suffered losses (in some cases, significant losses) as a result of the Madoff fraud. The provision of custodial services resulted in several legal claims, including by the Bernard L. Madoff Investment Securities trustee in bankruptcy (Irving Picard) and the liquidators of certain funds, who are pursuing legal action in an attempt to recover payments made as a result of the fraud and/or to compensate their alleged losses. ABN AMRO and certain ABN AMRO subsidiaries are defendants in these proceedings. Even though these proceedings have been ongoing for several years, they are still in a preliminary stage. Hence, it is not possible to estimate the total amount of ABN AMRO's potential liability, if any.

Adjustment of margin charge on mortgage loans with floating interest rates

ABN AMRO has sold mortgage loans with floating, often Euribor-based, interest rates to consumers. These rates include a margin charge. Under the applicable terms and conditions, ABN AMRO has the right to unilaterally adjust the margin charge. ABN AMRO's decision to increase the margin charge in 2012 resulted in two class actions, on top of multiple individual cases, being instigated. The central question in these cases was whether ABN AMRO's right in the terms and conditions to unilaterally adjust the margin charge was an unfair contractual clause. On 22 November 2019, the Supreme Court quashed the ruling of the Amsterdam Court of Appeal in the Euribor collective cases initiated by two foundations (*stichtingen*), Stichting Stop de Banken and Stichting Euribar. The case was referred to another Court of Appeal (The Hague) in order to be dealt with further.

In the meantime ABN AMRO and the foundation Stichting Euribar reached agreement on a settlement for clients with Euribor-Woning hypotheek mortgages. All clients who were eligible for the settlement received a personal offer from ABN AMRO and 81% of this group accepted the proposed settlement. Meanwhile, the other foundation, Stichting Stop de Banken, broke off the negotiations aimed at reaching agreement and proceeded with the class action.

On 11 October 2022, the Court of Appeal in The Hague ruled that the amendment clauses were valid and that ABN AMRO was entitled to exercise its power of amendment. The Court of Appeal also deemed the manner in which ABN AMRO exercised its power of amendment to be within the law. This means that ABN AMRO was within its rights to amend the charge and that the increase in the charge was not excessive. The Court of Appeal also rejected all the other complaints made by Stichting Stop de Banken. The ruling applies to clients who did not accept the personal settlement offer made to them by the bank in 2020 or 2021.

Stichting Stop de Banken subsequently announced that it would appeal against the ruling and, on 22 December 2022, filed the documents for the Supreme Court appeal. ABN AMRO is currently studying the arguments raised and is working on its response which will need to be filed at the Supreme Court ultimately on 16 June 2023.

Variable interest rate complaints for consumer loans

On 3 March 2021, the Kifid Appeals Committee confirmed a ruling of the Kifid Disputes Committee about recalculating the variable interest charged to a specific client on a revolving credit. In short, Kifid ruled that ABN AMRO should have followed the market rate when establishing the variable interest rate for certain revolving consumer credits.

In light of the Kifid ruling, ABN AMRO reached agreement with the Dutch Consumers' Association (*Consumentenbond Claimservice*) on 5 September 2021 regarding a compensation scheme for affected clients. In the third quarter of 2022, following a ruling in August 2022 by the Kifid Appeals Committee,

ABN AMRO amended the compensation scheme to include interest on interest. ABN AMRO has provisioned around EUR 481 million for the interest to be compensated and the costs incurred in carrying out the scheme. To date, EUR 70 million of this provision has been used, with a remaining provision as at 31 December 2022 of EUR 411 million.

It is unclear what the exact scope and application of the Kifid ruling is and whether it will have any knock-on effect on other products with variable interest rates, beyond the range of products covered by the compensation scheme. ABN AMRO cannot give a reliable estimate of the (potentially substantial) financial risk of these contingent liabilities not provided for.

Imtech

The Imtech Group was declared bankrupt in August 2015. ABN AMRO was one of the banks that extended financing to this group and participated in the second rights offering of October 2014. By letter of 20 January 2018, Stichting Imtechclaim and Imtech Shareholders Action Group B.V. held ING, Rabobank, Commerzbank and ABN AMRO liable for alleged misstatements in the prospectuses and for alleged *actio pauliana* (fraudulent preference). By letter of 28 March 2018, the Vereniging van Effectenbezitters ("**VEB**") held parties, including ABN AMRO, liable for damage allegedly suffered by the Imtech investors. On 10 August 2018, ABN AMRO received formal notification from Imtech's trustees that they were seeking to nullify a large number of transactions and claim various damages. The letter aimed to interrupt limitation periods in view of the possible claims against Imtech's lenders, bondholders and underwriting banks. It appears likely that litigation will be started by the trustees in view of this letter and subsequent communications, although the exact timing of this litigation, the amount of the claim and the parties to be summoned are unclear.

Eurostar Diamond Traders

On 18 October 2018, Eurostar Diamond Traders N.V. ("**EDT**") filed a civil law complaint against ABN AMRO in the Antwerp Court, claiming a provisional amount of EUR 673 million. The amount claimed included an unsubstantiated claim for damages of EUR 600 million on the ground that ABN AMRO and Standard Chartered Bank allegedly deliberately caused EDT's demise. Damages of USD 73 million were also claimed for the alleged sale of unsuitable derivatives. EDT and Eurostar Diamond Traders International N.V., EDT's parent company, were both declared bankrupt in a final decision in 2020. EDT's trustees have continued the proceedings against ABN AMRO but have dropped material parts of the original claims and have lowered the claim amount to a provisional amount of EUR 1. The former directors of EDT are attempting to become formally involved in these proceedings. In a recent judgement of the District Court of Antwerp, the claims of the trustees and the former directors have been dismissed. No appeal has been filed (yet).

Claims relating to the history of ABN AMRO

A group of former Fortis SA/NV and Fortis N.V. shareholders, including the VEB, is litigating against, among other persons, Ageas, certain banks and a number of former Fortis SA/NV and Fortis N.V. directors. The claimants in certain actions have been successful in establishing misleading disclosure by, among other persons, Ageas. The VEB alleged damages in excess of EUR 17 billion. The VEB announced on 14 March 2016 that it has reached a settlement with Ageas. Following renegotiation upon instruction of the Court of Appeal in Amsterdam, Ageas has made EUR 1.3 billion available for this settlement. The settlement has been approved and declared binding (*verbindend verklaard*) by the Court of Appeal in Amsterdam on 13 July 2018. A legal predecessor of ABN AMRO was involved as an underwriting bank in the issuance of certain instruments issued by Ageas to which the VEB settlement with Ageas relates. However, ABN AMRO is not a party to any of these proceedings. Although ABN AMRO believes that there is no basis for successful claims against it in connection with these matters, it cannot be excluded that it is joined in current proceedings, or that proceedings in connection with the matters described above are brought against it. If this nevertheless happens and if ABN AMRO is held liable for damages this could have a significant material adverse effect on ABN AMRO.

Cum/ex transactions in Germany

German authorities are conducting investigations into the involvement of individuals from various banks and other parties in equity trading extending over dividend record dates in Germany, including several forms of tainted dividend arbitrage (i.e. tainted dividend stripping, including cum/ex and cum/cum) for the

purpose of obtaining German tax credits or refunds in relation to withholding tax levied on dividend payments, including, in particular, transaction structures that resulted in more than one market participant claiming such credit or refund with respect to the same dividend payment. ABN AMRO's legal predecessor, Fortis Bank (Nederland) N.V., ABN AMRO and several former subsidiaries were directly or indirectly involved in these transactions in the past in various capacities. Criminal investigation proceedings relating to the activities of these entities and individuals involved at the time were instigated. These proceedings also resulted in search warrants being issued against ABN AMRO. ABN AMRO is cooperating with these investigations, but has no knowledge of the results of any such investigations.

ABN AMRO also frequently receives information requests from German authorities in relation to criminal and other investigations of individuals from other banks and other parties relating to equity trading extending over dividend record dates in Germany. ABN AMRO cooperates and provides the requested information to the extent possible. Although a number of subsidiaries associated with these transactions have been sold by means of a management buy-out, legal risks remain for ABN AMRO, in particular relating to administrative offences and criminal and civil law. All material tax issues with respect to ABN AMRO's tax reclaims relating to cum/ex transactions have been settled with the German tax authorities. With respect to cum/cum transactions, the German Federal Ministry of Finance released two circular rulings dated 9 July 2021 (published 15 July 2021); these contain a change in interpretation of tax legislation compared to previous circular rulings. While these circular rulings, in ABN AMRO's view, contradict case law of the German Federal Tax Court after the circulars were published, the German Federal Ministry of Finance has not withdrawn or amended the rulings, and the German local tax authorities are therefore expected to re-collect dividend withholding tax credited to taxpayers where such credits related to cum/cum strategies. ABN AMRO has received dividend withholding tax refunds that relate to transactions that could be considered to be cum/cum transactions under the new circular rulings. In anticipation of a decision by the German tax authorities, ABN AMRO has, as a precaution, repaid the relevant dividend withholding tax amounts, while retaining its rights to contest any such future decision. Some counterparties of ABN AMRO have initiated civil law claims against ABN AMRO with respect to cum/cum securities lending transactions (some of which are pending before German courts), arguing that ABN AMRO failed to deliver beneficial ownership of the loaned securities to these counterparties and that this resulted in a denial of tax credit entitlement by the relevant German tax authorities. Although ABN AMRO considers it not probable that any such claims will be successful, the possibility that they will succeed cannot be ruled out.

It cannot be excluded that ABN AMRO or subsidiaries will face financial consequences as a result of their involvement in tainted dividend stripping transactions, in particular corporate administrative fines, forfeiture orders and civil law claims. It is currently unclear, however, as to how and when the German prosecution authorities' investigations will impact on ABN AMRO and its subsidiaries and if, and to what extent, corporate administrative fines or forfeiture orders will be imposed. It is also uncertain whether tax authorities or third parties will successfully claim amounts from ABN AMRO in secondary tax liability or civil law cases. Therefore, the financial impact cannot currently be reliably estimated and no provision has been recorded in this respect.

Netherlands Public Prosecution Service investigation into anti-money laundering activities

In April 2021, ABN AMRO accepted a settlement with the NPPS for shortcomings in the Issuer's AML activities. During the investigation, the NPPS found serious shortcomings in ABN AMRO processes to combat money laundering, such as the client acceptance, transaction monitoring and client exit processes, in The Netherlands in the period from 2014-2020. As a result, in certain instances, clients were able to abuse ABN AMRO accounts. As part of the AML settlement, the Issuer agreed to pay EUR 480 million. Please see the settlement agreement and the statement of facts and conclusions of the NPPS for more information in the section entitled "*Documents Incorporated by Reference*". ABN AMRO was informed that an individual filed a complaint against the AML settlement between the NPPS and ABN AMRO and that the complaint has been denied by the court of appeals in The Netherlands.

In response to the shortcomings discussed above and in order to address increasingly strict regulations and continuously evolving forms of financial crime, ABN AMRO decided to centralise the execution of all AML activities in October of 2018, bolstering AML capabilities and enabling further specialisation and knowledge sharing across the bank. ABN AMRO set up a bank-wide AML programme and made substantial additional resources available for investments in staff, systems and processes. This remediation programme has been coordinated with the Dutch Central Bank, which is closely monitoring progress. By the end of 2022, the total number of full-time employees involved in AML was over 4,000 FTE. The AML remediation programme is expected to be finalised in 2023. As at 31 December 2022, the total provision

regarding the AML remediation programme amounted to EUR 50 million. See also the risk factor "25. *The rules on anti-money-laundering, anti-bribery, tax, anti-corruption and international sanctions are complex and failure to comply could lead to fines or harm the Issuer's reputation and could disrupt the Issuer's business and result in a material adverse effect on the Issuer's business, financial position and results of operations.*".

Netherlands Public Prosecution Service investigation into Dutch tax matter

The NPPS is conducting an investigation regarding transactions that ultimately led to a set-off by a third party of dividend withholding tax credits against its corporate tax liabilities in the Netherlands during the period 2009-2013. The NPPS investigation relates to ongoing tax proceedings in the Dutch courts between the third party and the Dutch tax authority regarding the third party's set-off of dividend withholding tax credits against its corporate tax liabilities. The District Court ruled in favour of this third party in 2018. In 2020, the Court of Appeal overturned the ruling of the District Court and ruled in favour of the Netherlands tax authority. An appeal with the Supreme Court has been filed against the ruling of the Court of Appeal and is currently pending. The NPPS has informed ABN AMRO that it is a suspect in the investigation, due to its involvement in some of these transactions. The NPPS is gathering information for its investigation and ABN AMRO is cooperating with the investigation.

The timing of the completion of the investigation and the outcome are uncertain. The possibility cannot be excluded that ABN AMRO will face financial consequences as a result of the investigation. However, the potential financial impact of the investigation cannot currently be reliably estimated and no provision has been made.

Discussion with regulator on regulatory levies

ABN AMRO and ABN AMRO Hypotheken Group (AAHG) are in discussion with the Single Resolution Board ("**SRB**") about the calculation method applied for annual Single Resolution Fund ("**SRF**") contributions paid by AAHG in the past. At this time, the outcome of these discussions are still uncertain.

The annual SRF contribution is a levy introduced by the European Union in 2016. The SRB calculates the SRF contribution based on the information annually provided by the credit institutions within the European Banking Union in scope of SRF. The SRB is of the opinion that ABN AMRO has reported variables to calculate the annual SRF contribution incorrectly over the 2016-2022 period. ABN AMRO disagrees with the SRB's point of view and, as from 2016, has repeatedly and extensively communicated its position with regard to the adjusted amount to the SRB.

The different points of view held by the SRB and ABN AMRO are due to a differing interpretation of the regulation with regard to the annual SRF contribution. On 11 May 2023, the SRB sent ABN AMRO its final decision regarding the calculation of the SRF contribution. The SRB maintains its position and contests ABN AMRO's point of view. The SRB recalculated the contribution for AAHG for the years 2016-2022. The additional contribution AAHG needs to pay for the years 2016-2022 is approx. EUR 120 million. The contribution for the year 2023 is approx. EUR 56 million. Therefore the total amount of the invoice is approx. EUR 180 million.

ABN AMRO will challenge the SRB's decision. The outcome of any such challenge is uncertain because the SRF regulation is relatively new and there is little to no case law on the subject. ABN AMRO nevertheless considers it more likely than not that such challenge will be successful. Therefore no provision has been recognised.

Claims by BGL BNP Paribas

In February 2018, ABN AMRO sold its Luxembourg subsidiary to BGL BNP Paribas ("**BGL**"). On 31 May 2021, BGL, as the legal successor of the Luxembourg subsidiary, was sued by an alternative investment fund ("**AIF SIF**"). AIF SIF was originally a client of the subsidiary, which acted as its depositary bank. This deposit agreement was later terminated by BGL. AIF SIF accuses BGL, in its capacity as the former depositary bank of AIF SIF, of having caused AIF SIF's removal from the list of specialised investment funds by the Luxembourg financial regulator (CSSF), by not issuing a confirmation letter in the context of the audit for the financial year ending on 31 December 2018. BGL did not issue the confirmation letter, because AIF SIF did not provide the required information and documentation. This prevented AIF SIF from contracting a depositary agreement with a different depositary bank following the termination of

the depositary agreement by BGL. The fund claims damages from BGL in the amount of EUR 126 million. BGL notified ABN AMRO of this claim in October 2019 and July 2021. Prior to the sale of the Luxembourg subsidiary, the subsidiary did issue a confirmation letter to AIF SIF in the context of the audit for the financial year ending on 31 December 2016. In brief, BGL is of the opinion that the subsidiary should not have issued this confirmation letter in the context of the audit for the financial year ending on 31 December 2016, because AIF SIF did not provide the required information and documentation. BGL alleges that ABN AMRO fraudulently concealed these alleged deficiencies and thus incurs liability on the basis of the Luxembourg Civil Code and the relevant share purchase agreement. As a result, BGL is claiming that any verdict against it in the proceedings against the fund should be borne by ABN AMRO. These proceedings have not commenced yet. ABN AMRO sent BGL a letter in September 2021 rejecting the alleged claim by BGL. BGL has not yet replied to this letter. ABN AMRO believes that the risk that BGL can be successfully held liable for alleged errors committed by the Luxembourg subsidiary is rather limited. In addition, even if BGL were to be held liable, ABN AMRO believes that the chances that BGL can successfully claim from ABN AMRO are not very high.

1.5 Material Agreements

The following agreement has been entered into by ABN AMRO other than in the ordinary course of business and is material to ABN AMRO's business operations as of the date of this Registration Document.

Kyndryl Global Master Services Agreement

On August 31, 2005, ABN AMRO Bank entered into a Global Master Services Agreement ("**GMSA**") with International Business Machines Corporation ("**IBM**") whereby ABN AMRO Bank outsourced the operational part of its core information and communication technology to IBM. In 2010, this global outsource agreement was renewed, integrating the joint IT services requirements of both ABN AMRO and Fortis Bank Nederland (Holding) N.V. As of 1 January 2015, ABN AMRO Bank and IBM renewed the GMSA for another 10 years, resulting in a restructuring of the services and a rationalisation of the cost base. The GMSA provides for a phased reduction of the annual charges. IBM agreed to this, subject to ABN AMRO Bank staying within agreed volume boundaries. Changes requested by ABN AMRO Bank may have an impact on the reduction of the charges. The parties may, on request of ABN AMRO Bank, enter into negotiations on a possible extension of the GMSA upon expiry. ABN AMRO Bank also has the right to unilaterally extend the GMSA for a period of one year. In November 2021, IBM announced that it completed the separation of its managed infrastructure services business, after which Kyndryl Nederland B.V. ("**Kyndryl**") became ABN AMRO Bank's counterparty under the GMSA.

The services that Kyndryl delivers are of vital importance to the products ABN AMRO Bank delivers to its clients, both in The Netherlands and internationally. The IT landscape includes all IT related hardware, software, processes and professionals necessary for ABN AMRO Bank to deliver its services to its clients. Kyndryl's services can be divided into four areas: (1) data centre services, (2) end user services, (3) service management integration, and (4) related project services.

1.6 Recent developments

ABN AMRO EUR 500 million share buyback programme

On 8 February 2023, ABN AMRO announced the start of a share buyback programme under which it plans to repurchase depositary receipts and ordinary shares of ABN AMRO Bank N.V. for a maximum total value of EUR 500 million and for a number of shares not exceeding the authority granted by the general meeting of shareholders on 20 April 2022 (10% of the issued shares). The share buyback programme commenced on 9 February 2023 and completed on 12 April 2023. Under the programme, 31,946,537 depositary receipts and ordinary shares were repurchased. Upon completion of the share buyback programme, the outstanding number of depositary receipts and ordinary shares was 865,575,379. ABN AMRO intends to cancel the repurchased ordinary shares and corresponding depositary receipts. As a majority shareholder, NLF1 participated in the share buyback programme on a pro-rata basis for its 56.3% holding.

Trading plan NLF1

On 10 February 2023, NLF1 announced its intention to sell depositary receipts for shares in ABN AMRO through a pre-arranged trading plan. The maximum number of depositary receipts that can be sold over the duration of the trading plan would reduce NLF1's stake in ABN AMRO to slightly below 50%. The

Relationship Agreement entitles NLFI to sell any number of depositary receipts, whether or not in the open market, in accordance with the orderly market arrangements as set out in the Relationship Agreement.

1.7 Shareholder and Control

1.7.1 Shareholder

On the date of this Registration Document, all shares in the capital of ABN AMRO Bank are held by two foundations: NLFI and Stichting Administratiekantoor Continuïteit ABN AMRO Bank ("**STAK AAB**"). Both foundations have issued depositary receipts for shares in ABN AMRO Bank. Only STAK AAB's depositary receipts are issued with the cooperation of ABN AMRO Bank and traded on Euronext Amsterdam.

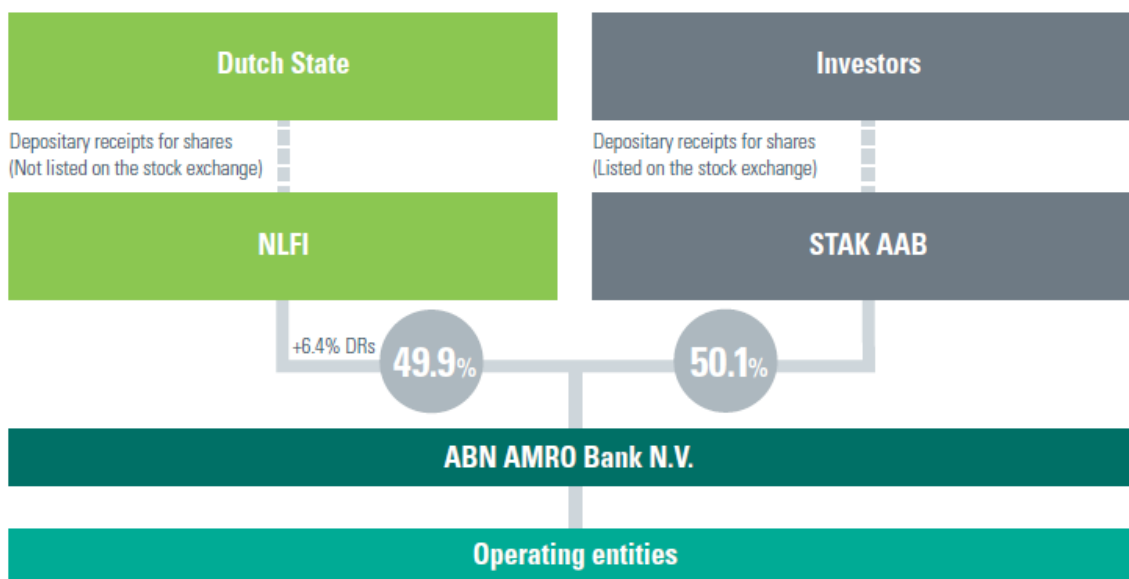
On the date of this Registration Document, STAK AAB holds 50.1% of the shares in the issued capital of ABN AMRO Bank. The Dutch State holds an interest in ABN AMRO Bank through NLFI. On the date of this Registration Document, NLFI holds a stake of 56.3% in ABN AMRO Bank, of which 49.9% is directly held via ordinary shares and 6.4% is indirectly held via depositary receipts issued by STAK AAB. As such NLFI holds a total voting interest of 56.3% in ABN AMRO Bank. NLFI has waived, in its capacity of holder of depositary receipts issued by STAK AAB only, for as long as NLFI holds the depositary receipts, any meeting and voting rights attached to the depositary receipts other than the right to vote on the underlying shares of the depositary receipts held by NLFI in the shareholders meeting of ABN AMRO Bank in accordance with the general terms of administration (*administratievoorwaarden*) of STAK AAB.

Material or principal decisions of NLFI require the prior approval of the Dutch Minister of Finance, who can also give binding voting instructions with respect to such decisions. NLFI is not permitted to dispose of or encumber the shares, except pursuant to an authorization from and on behalf of the Dutch Minister of Finance.

NLFI entered into a relationship agreement with the former ABN AMRO Group with respect to their mutual relationship after the IPO (the "**Relationship Agreement**"). Upon the IPO, the Relationship Agreement replaced an earlier memorandum of understanding between NLFI and the former ABN AMRO Group. In view of the Group Legal Merger, the Relationship Agreement was amended by NLFI and ABN AMRO Bank (as legal successor of ABN AMRO Group) with effect from 29 June 2019. The Relationship Agreement will terminate if and when NLFI (directly or indirectly) holds less than 10% of ABN AMRO Bank's (as legal successor of ABN AMRO Group after the Group Legal Merger) issued share capital, except for a limited number of clauses, which will not terminate under any circumstances.

STAK AAB is independent from ABN AMRO and is a holder of shares in ABN AMRO Bank's issued share capital. STAK AAB has acquired such shares for the purpose of administration (*ten titel van beheer*) in exchange for depositary receipts. This structure can serve as a defence measure. The STAK AAB also aims to promote the exchange of information between ABN AMRO Bank on the one hand and holders of depositary receipts and shareholders on the other hand, for example, by organising a meeting of depositary receipt holders prior to ABN AMRO Bank's General Meeting. STAK AAB will also report on its activities periodically, at least once a year. This report was published by STAK AAB for the first time in 2016. In addition, further selldowns of NLFI's shareholding in ABN AMRO Bank will take place through STAK AAB (and in the form of depositary receipts).

Shareholder structure



1.7.2 Control

Until 29 September 2011, the Dutch State had direct control over ABN AMRO. On 29 September 2011, all shares in the capital of ABN AMRO Group (as legal predecessor of ABN AMRO Bank N.V. prior to the Group Legal Merger) held by the Dutch State were transferred to NLFI, as described above. The Dutch State is not involved in the day-to-day management of ABN AMRO.

The depository receipts for the shares in the capital of ABN AMRO Group (as legal predecessor of ABN AMRO Bank N.V. prior to the Group Legal Merger) have been issued without its cooperation. As a matter of Dutch law, the Dutch State, as the holder of the depository receipts, will not have certain statutory rights applicable had the depository receipts been issued with the cooperation of ABN AMRO Group (as legal predecessor of ABN AMRO Bank N.V. prior to the Group Legal Merger), including the general right to attend and speak at shareholders' meetings. This is in keeping with the intended commercial, non-political management of the shares. The general terms of administration (*administratievoorwaarden*) provide for the exchangeability of the depository receipts into ordinary shares in anticipation of the exit of the Dutch States as a shareholder of ABN AMRO Group (or ABN AMRO Bank as its legal successor after the Group Legal Merger).

In August 2013, the Dutch Minister of Finance sent a letter to Parliament, stating, amongst others that an IPO was the most realistic exit strategy for ABN AMRO and that the final decision would depend on four prerequisites: (a) stability of the financial sector, (b) readiness of the market, (c) readiness of ABN AMRO and (d) the intention to recover as much as possible of the total investments of the Dutch State. On 1 July 2015 Dutch Parliament approved the Dutch Government's decision to return ABN AMRO to the private market. On 20 November 2015 the former ABN AMRO Group was listed and trading in the depository receipts for ordinary shares commenced.

On 17 November 2016, NLFI, on behalf of the Dutch state, agreed to sell additional depository receipts representing shares in the former ABN AMRO Group. Following the settlement, the stake of NLFI declined from 77% to 70%.

On 28 June 2017, NLFI, on behalf of the Dutch state, agreed to sell additional depository receipts representing shares in the former ABN AMRO Group. Following the settlement, the stake of NLFI declined from 70% to 63%.

On 15 September 2017, additional depository receipts representing ordinary shares in the former ABN AMRO Group were sold. Following the settlement, the stake of the Dutch State further declined from 63% to 56%.

On 21 December 2017, NLFI announced that it has transferred approximately 59.7 million ordinary shares in the former ABN AMRO Group to STAK AAG in exchange for an equal amount of depository receipts

for ordinary shares in ABN AMRO. As a result of the transfer, NLFI continues to hold a stake of 56.3% in the former ABN AMRO Group, of which 49.9% is directly held via ordinary shares and 6.4% indirectly via depository receipts issued by STAK AAG. The remaining 43.7% is held by institutional and retail investors in the form of depository receipts.

On 29 June 2019, the Group Legal Merger between ABN AMRO Bank and ABN AMRO Group became effective. As a result, all shares in ABN AMRO Group became shares in ABN AMRO Bank and each depository receipt subsequently represents one share in ABN AMRO Bank.

The Minister of Finance remains responsible for selling the shares held by NLFI. NLFI's objects therefore exclude disposing of and encumbering the shares, except pursuant to authorization from the Minister of Finance. One of NLFI's objects is to advise the Minister of Finance on the Dutch State's sale of the shares.

In addition, pursuant to the articles of association of NLFI, the Minister of Finance establishes the conditions for administration and custody of the shares. Any principal and material decisions of NLFI require the prior approval of the Minister of Finance. The Minister of Finance is able to provide binding voting instructions with respect to material and principal decisions.

NLFI, as a majority shareholder, has participated in the EUR 500 million share buyback programme which completed on 12 May 2022 on a pro-rata basis and maintained its holding at 56.3%.

On 10 February 2023, NLFI announced its intention to sell depository receipts for shares in ABN AMRO through a pre-arranged trading plan. The maximum number of depository receipts that can be sold over the duration of the trading plan would reduce NLFI's stake in ABN AMRO to slightly below 50%. The Relationship Agreement entitles NLFI to sell any number of depository receipts, whether or not in the open market, in accordance with the orderly market arrangements as set out in the Relationship Agreement.

1.8 Management and Governance

ABN AMRO Bank is a public company with limited liability incorporated on 9 April 2009 under the laws of The Netherlands. The company has a two-tier board governance consisting of a Supervisory Board and an Executive Board.

1.8.1 Supervisory Board of ABN AMRO Bank

Responsibilities of the Supervisory Board

ABN AMRO's supervisory board (the "**Supervisory Board**") supervises ABN AMRO's executive board (the "**Executive Board**"), as well as ABN AMRO's general course of affairs and its business. In addition, it is charged with assisting and advising management. In performing their duties, the members of the Supervisory Board are guided by the interests and continuity of ABN AMRO and its enterprise and take into account the relevant interests of ABN AMRO's stakeholders. Specific powers are vested with the Supervisory Board, including the approval of certain resolutions of the Executive Board.

In accordance with the best practice provisions of the Dutch Corporate Governance Code, Supervisory Board members at ABN AMRO are appointed for a maximum of three four-year terms. The current tenures of the members of the Supervisory Board will terminate in accordance with the retirement and reappointment schedule prepared by the Board.

Composition of the Supervisory Board

The following persons are appointed as members of the Supervisory Board (an overview indication of their principal activities outside of ABN AMRO is included)¹:

¹ Except for their principal functions in ABN AMRO or its subsidiaries, directors' other functions within ABN AMRO or its subsidiaries have not been included.

Name	Appointment date	Positions held	Principal affiliations outside ABN AMRO which are significant with respect to ABN AMRO
Tom de Swaan <i>Chairman</i>	12 July 2018 and reappointed on 20 April 2022	<i>Last executive position:</i> Chief Financial Officer ABN AMRO Bank N.V.	<i>Supervisory positions:</i> Member of the Supervisory Board of the Holland Festival Foundation (Netherlands) <i>Other positions:</i> Chairman of the Board of the National Opera & Ballet Fund Foundation (Netherlands) Member of the International Advisory Board of Akbank; Chairman of the Management Board of the Foundation Funds Netherlands Cancer Institute; Member of the Advisory Board of the Stichting tot Instandhouding van de Diergaarde van het Koninklijk Zoölogisch Genootschap Natura Artis Magistra Board member of Stichting Liszt Concours (The Netherlands) Member of the Board of The International Centre for Missing & Exploited Children
Arjen Dorland	18 May 2016	<i>Last executive position:</i> Executive Vice President of Technical and Competitive IT, Royal Dutch Shell	<i>Supervisory positions:</i> Chairman of the combined Supervisory Council of Stichting Naturalis Biodiversity Center and Stichting Japanmuseum Sieboldhuis; Vice-Chairman of the Supervisory Board of Essent N.V. Chairman of the Supervisory Council of Haaglanden Medisch Centrum Member of the Supervisory Board of Bovemij N.V. and N.V. Schadeverzekering-Maatschappij Bovemij
Michiel Lap	24 April 2019 and reappointed on 19 April 2023	<i>Last executive position:</i> Partner and Head of Northwest Europe, Goldman Sachs	<i>Supervisory positions:</i> Vice-Chairman and member of the Supervisory Board of Arcadis N.V. Non-executive member of the Board of Rijn Capital B.V. Member of Supervisory Board Stichting Het Nederlands Kanker Instituut-Antoni van Leeuwenhoek Ziekenhuis

Laetitia Griffith	17 December 2019	<p><i>Last executive position:</i> Member of Parliament, House of Representatives of The Netherlands</p>	<p><i>Supervisory positions:</i> Member of the Supervisory Board of Benno Leeser Holding B.V. Chairman of the Supervisory Board of The Dutch Film Fund Member of the Supervisory Board of Tennet Holding B.V. Member of the Supervisory Board of Tennet TSO GmbH Advisory Council of Stichting Impact Economy Foundation Chairman of the Supervisory Board of Stichting Metropole Orkest Chairman of the Supervisory Council of Stichting Save the Children Nederland Member of the Supervisory Council of the Kadaster</p> <p><i>Other positions:</i> Chairman of the Board of Stichting Nederlandse Vioolconcoursen Member of the Board of Stichting Assurances KLM</p>
Mariken Tannemaat	15 December 2020	<p><i>Last executive position:</i> Chief Innovation Officer at Robeco N.V.</p>	<p><i>Supervisory positions:</i> Member of the Supervisory Board of CM.com N.V. Member of the Supervisory Board of CM Payments B.V. Member of the Supervisory Board of VLC & Partners B.V. Non-executive director of Prudential Assurance Company Limited Non-executive director of Investment Funds Direct Limited</p> <p><i>Other positions:</i> Advisor to the Board of Erasmus Enterprise B.V. Chairman of the Women in Leadership working group of EGN Nederland B.V.</p>
Sarah Russell	20 April 2022	<p><i>Last executive position:</i> Chief Executive Officer of Aegon Asset Management and member of the management board of Aegon N.V.</p>	<p><i>Supervisory positions:</i> Member of the Supervisory Board of AGP Groep N.V. Member of the Supervisory Board of APG Asset Management N.V. Member of the Supervisory Board of The Currency Exchange Fund</p>

Wouter Devriendt 19 April 2023

Last executive position:
Senior Executive Vice
President of Finance &
Controls of UniCredit
Group

Other positions:
Not applicable.

On 19 April 2023, ABN AMRO held the annual general meeting which approved the re-appointment of Mr Michiel Lap as a member of the Supervisory Board of ABN AMRO for a period of four years and the appointment of Wouter Devriendt as a member of the Supervisory Board of ABN AMRO for a period of four years.

Femke de Vries has been proposed to be appointed as a new member of the Supervisory Board, subject to shareholder and regulatory approval.

Activities of the Supervisory Board

The Supervisory Board of ABN AMRO has four committees:

Audit Committee

The Audit Committee is tasked with the direct supervision of all matters relating to financial reporting and controlling. In doing so, it is responsible for supervising (and advising the complete Supervisory Board on), among other things, (i) the assessment of the principles of valuation and determination of results for the financial statements, (ii) internal control and financial reporting functions, (iii) internal and external audit, (iv) risk assessment of issues that could impact the financial reporting, (v) regulatory compliance in relation to financial reporting, (vi) mediation between internal or external auditors and/or management where needed, and (vii) reporting to the Supervisory Board. The Audit Committee consists of Ms Sarah Russell (Chair), Mr Wouter Devriendt and Mr Michiel Lap.

Risk & Capital Committee

The Risk & Capital Committee is responsible for supervising (and advising the complete Supervisory Board on), among other things, (i) risk management and risk control, (ii) the strategies for capital and liquidity management, (iii) the bank's risk appetite and risk strategy and reviewing the business activities in relation to these matters, (iv) compliance with applicable laws and regulations (including codes of conduct and internal procedures), (v) risk and compliance awareness within the bank, (vi) sound remuneration policies and practices in light of risk, capital, liquidity and expected earnings, (vii) proposing corrective and/or disciplinary measures against members of the Executive Board in the event of a breach of applicable laws and regulations, and (viii) periodic review of the Bank's actual risk profile. The Risk & Capital Committee consists of Mr Wouter Devriendt (Chair), Mr Tom de Swaan, Ms Mariken Tannemaat and Ms Sarah Russell.

Remuneration Committee

The Remuneration Committee is responsible for supervising (and advising the complete Supervisory Board on), amongst other things, (i) remuneration policies and their execution for members of the Executive Board, the Supervisory Board and selected members of senior management and (ii) reporting on the execution of ABN AMRO's remuneration policies in a remuneration report. The committee is composed of Mr Arjen Dorland (Chair), Mr Tom de Swaan, Ms Laetitia Griffith and Ms Mariken Tannemaat.

Selection & Nomination Committee

The Selection & Nomination Committee is responsible for supervising (and advising the complete Supervisory Board on), amongst other things, (i) the selection, appointments and reappointments regarding the Supervisory Board and the Executive Board, (ii) succession plans of the Supervisory Board and the Executive Board, (iii) the knowledge, skills, experience, performance, size, composition and profile of both boards and (iv) the performance of the members of both boards. The committee is composed of Mr Tom de Swaan (Chair), Mr Arjen Dorland, Mr Michiel Lap and Ms Laetitia Griffith.

1.8.2 Executive Board of ABN AMRO Bank

Responsibilities of the Executive Board

The members of the Executive Board collectively manage ABN AMRO and are responsible for its strategy, structure and performance. In carrying out their duties, the members of the Executive Board are guided by the interests and continuity of ABN AMRO and its businesses taking into due consideration the interests of all of ABN AMRO's stakeholders, such as its clients and employees, its shareholders and society at large. The Executive Board is accountable for the performance of its duties to the Supervisory Board and the general meeting of shareholders. The Executive Board has installed a number of committees that are responsible for decision-making on certain subjects and advising the Executive Board on certain matters.

Executive Board members are appointed for a period of three years and may be reappointed for a term of three years at a time.

Composition of the Executive Board

The following persons are appointed as members of the Executive Board, together with an indication of their principal activities outside of ABN AMRO²:

<u>Name</u>	<u>Date of Appointment</u>	<u>Principal activities performed outside ABN AMRO which are significant with respect to ABN AMRO</u>
Robert Swaak, <i>Chief Executive Officer and Chairman</i>	22 April 2020	<i>Supervisory positions:</i> Member of the Supervisory Council of the National Opera & Ballet foundation (<i>Stichting Nationale Opera & Ballet</i>) Member of the Supervisory Council of Stichting Paleis Het Loo <i>Other positions:</i> Member of the Management Board of the Dutch Banking Association Member of the Board of the American-European Community Association (Netherlands) (<i>Stichting Amerika-Europese Gemeenschap (Nederland)</i>) Member of the Advisory Board IRCC (Integrated Reporting and Connectivity Council) of the IFRS Foundation Member of the Board of Stichting Nationaal Fonds 4 en 5 mei
Ferdinand Vaandrager, <i>interim Chief Financial Officer</i>	1 May 2023	<i>Supervisory positions:</i> None <i>Other positions:</i> None
Tanja Cuppen, <i>Chief Risk Officer</i>	1 October 2017 and reappointed on 21 April 2021	<i>Supervisory positions:</i> Member of the Supervisory Board of Coöperatie Menzis U.A. <i>Other positions:</i> Member of the Advisory Committee, Maatwerkafspraken Verduurzaming Industrie
Dan Dorner, <i>Chief Commercial Officer Corporate Banking</i>	24 November 2021	<i>Supervisory positions:</i>

² Except for their principal functions in ABN AMRO Bank or its subsidiaries, directors' other functions within ABN AMRO Bank or its subsidiaries have not been included.

<u>Name</u>	<u>Date of Appointment</u>	<u>Principal activities performed outside ABN AMRO which are significant with respect to ABN AMRO</u>
		Member of the Advisory Board of Euronext N.V. <i>Other positions:</i> Member of the Daily- and General Board of VNO-NCW
Choy van der Hoof-Cheong, <i>Chief Commercial Officer Wealth Management</i>	24 November 2021	<i>Supervisory positions:</i> None <i>Other positions:</i> Founder and board member of Stichting Children's Khazana Foundation
Annerie Vreugdenhil, <i>Chief Commercial Officer Personal & Business Banking</i>	1 March 2022	<i>Supervisory positions:</i> Member of the Supervisory Board of Stadsherstel Amsterdam N.V. <i>Other positions:</i> Member of the Management Board of the Dutch Banking Association
Carsten Bittner, <i>Chief Innovation & Technology Officer</i>	1 January 2023	<i>Supervisory positions:</i> None <i>Other positions:</i> None

On 18 October 2022, ABN AMRO announced the resignation of its Chief Human Resources Officer (CHRO), Gerard Penning, who left ABN AMRO on 1 December 2022. The process of finding a new CHRO has been initiated. The new CHRO will no longer sit on the Executive Board and will report directly to the Chief Executive Officer.

On 11 January 2023, ABN AMRO announced the resignation of its Chief Financial Officer (CFO), Lars Kramer, who left ABN AMRO on 30 April 2023. The process of finding a new CFO has been initiated. Ferdinand Vaandrager will replace Lars Kramer as interim CFO, subject to regulatory approval.

In addition, on 1 February 2023, ABN AMRO announced anticipated changes to the composition of the Executive Board to strengthen its strategy execution. ABN AMRO has posted a vacancy for a Chief Operations Officer (COO) in its Executive Board. The profile for the COO includes having primary responsibility for ABN AMRO's bank-wide operational performance and for accelerating change management in close collaboration with the other Executive Board members. The COO will head the central management of operations, including the Detecting Financial Crime department. An executive search process for a new COO has been initiated.

Conflict of interest and address information

There are no actual or potential conflicts of interest between the duties to ABN AMRO Bank of the members of the Executive Board and the Supervisory Board set out above and their private interests and/or duties. These members may obtain financial services of ABN AMRO Bank. Internal rules are in place for the situation in which a conflict of interest should arise.

The business address of the members of the Executive Board and the Supervisory Board is Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands.

7. OPERATING AND FINANCIAL REVIEW

The following discussion and analysis of ABN AMRO's results of operations and financial condition relates to the 2022 Consolidated Annual Financial Statements and the 2021 Consolidated Annual Financial Statements. For further information, please see "Summary of Financial Information Policies".

The discussion and analysis set forth below should be read, subject to the cautionary statements noted in "Risk Factors", in conjunction with the 2022 Consolidated Annual Financial Statements, the 2021 Consolidated Annual Financial Statements and the related notes incorporated by reference in this Registration Document and other financial information included elsewhere in this Registration Document. Some of the information in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties. See "Forward-Looking Statements" and "Risk Factors" for a discussion of important factors that could cause actual results to differ materially from the results described in the forward-looking statements contained below or elsewhere in this Registration Document.

The 2022 Consolidated Annual Financial Statements and the 2021 Consolidated Annual Financial Statements are presented in euros, which is the functional and presentation currency of ABN AMRO, rounded to the nearest million (unless otherwise noted). Certain figures in this section may not add up exactly due to rounding. In addition, certain percentages in this section have been calculated using rounded figures.

7.1 Summary of Financial Information Policies

Consolidated Annual Financial Statements

The 2022 Consolidated Annual Financial Statements and the 2021 Consolidated Annual Financial Statements are prepared on a historical cost basis, except for derivative financial instruments, financial assets and liabilities held for trading or designated as measured at fair value through profit or loss, financial instruments not held in a "hold to collect" business model, debt instruments that do not meet the solely payments of principal and interest ("SPPI") test, and equity investments in associates or joint ventures for which the venture capital exemption is applied, all of which are measured at fair value through profit or loss. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortised cost, are adjusted to record changes in fair value attributable to the risks that are being hedged. Associates and joint ventures are accounted for using the equity method.

The 2022 Consolidated Annual Financial Statements and the 2021 Consolidated Annual Financial Statements are prepared on the going concern basis.

The International Accounting Standards Board issued several amendments to existing standards (and endorsed by the EU), which became effective for the reporting period beginning 1 January 2023. The standards amended are:

- IAS 1 Disclosure of accounting policies;
- IAS 8 Definition of accounting estimate;
- IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

The impact of these amendments on the consolidated financial statements are insignificant.

Changes in accounting policies in 2022

The accounting policies applied in the 2022 Consolidated Annual Financial Statements are the same as those applied in the 2021 Consolidated Annual Financial Statements, except for the following EU-endorsed standard that was adopted:

IFRS 17 – Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all

types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions apply. IFRS 17 introduces new accounting requirements for banking products with insurance features that may affect the determination of which instruments or which components thereof will be in the scope of IFRS 9 or IFRS 17.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. ABN AMRO did not apply for an early application of IFRS 17.

ABN AMRO has completed the assessment of the impacts of adopting IFRS 17. ABN AMRO offers limited banking products with significant insurance risk embedded, such as equity release mortgages and loans with a death waiver, and has assessed that the impact of IFRS 17 on these insurance contracts is not material, except for the equity release mortgage. Currently, ABN AMRO applies unbundling of the loan component from the insurance contract for equity release mortgage, which was permitted in accordance with IFRS 4. The loan component was measured at amortised cost in accordance with IFRS 9 and the insurance component, the No Negative Equity Guarantee (NNEG), as an insurance contract in accordance with IFRS 4, which meant the measurement was based on IAS 37.

In accordance with the currently issued IFRS 17, unbundling of the loan component from the insurance contract is not permitted anymore. For loan contracts (such as equity release mortgages and loans with a death waiver) that meet the definition of insurance but limit the compensation for insured events to the amount otherwise required to settle the policyholder's obligation created by the contract, the issuers of such loans, have an option to apply IFRS 9 or IFRS 17. The election would be made at a portfolio level and would be irrevocable. ABN AMRO's policy is to apply IFRS 9 to such loans. Since ABN AMRO has chosen to apply IFRS 9 to the equity release mortgage, these loans in their entirety, i.e. including the NNEG feature, do not meet the SPPI criterion. Therefore they should be measured in their entirety at fair value through profit or loss as of 1 January 2023. ABN AMRO applies the change in classification and measurement retrospectively.

Furthermore, ABN AMRO has a captive insurance entity (ABN AMRO Captive N.V.) and two equity accounted insurance entities (Neuflyze Vie S.A. and Nationale Nederlanden – ABN AMRO Verzekeringen Holding B.V.). IFRS 17 has an impact on the shareholders' equity, net result, presentation and disclosures of these entities. The total IFRS 17 impact on the opening equity balance (retained earnings) as of 1 January 2023 is approximately EUR 200 million, mainly because the fair value of the equity release mortgages as of 1 January 2023 is significantly below the carrying amount at amortised cost due to the increased mortgage rates.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

Based on the amendments, certain other directly related costs have been included by ABN AMRO in the measurement of provisions in scope of IAS 37.

Changes in accounting policies in 2021

The accounting policies applied in the 2021 Consolidated Annual Financial Statements are the same as those applied in the 2020 Consolidated Annual Financial Statements, except for the following EU-endorsed standard that was adopted:

Interest Rate Benchmark Reform

In response to the IBOR reform, the IASB has issued two sets of amendments to IFRS Standards. The amendments provide practical relief for companies from certain requirements when changes are made to contractual cash flows or hedging relationships because of IBOR reforms, and provide additional disclosure requirements. With effect from 1 January 2020, ABN AMRO applies the first set of amendments made to IFRS 9, IAS 39 and IFRS 7 that address the pre-replacement phase or phase 1 issues introduced by the

IBOR reform. The phase 1 amendments allow a company to apply temporary reliefs to all hedging relationships that are directly affected by the IBOR reform. Applying the relief prevents the disruption of hedging relationships as a result of uncertainty caused by the IBOR reform. The adoption of the amendments has not resulted in any impact on profit or loss or on the statement of financial position. In August 2020, the IASB issued the second set of amendments to address the issues caused by the replacement phase of the IBOR reform. Amendments have been made to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The phase 2 amendments took effect on 1 January 2021 and are applied by ABN AMRO as of that date. These amendments focus on replacement rates, including when an interest rate benchmark is replaced with an alternative, and comprise reliefs regarding accounting for changes and hedge accounting.

While ABN AMRO operates in global financial markets, the majority of its financial instruments are linked to the euro area key interest rate benchmarks EONIA and EURIBOR. EONIA has been replaced by €STR and was discontinued on 3 January 2022. Since October 2019, EONIA has been calculated as €STR plus a fixed spread of 8.5 basis points. EURIBOR has been calculated using a hybrid methodology since 2019 and will not be reformed in the short-term. The IBOR reform in the euro area did not affect the basis of contractual cash flows or hedging relationships in 2021. During 2021, ABN AMRO amended existing loan and derivative contracts to prepare for the discontinuation of the LIBOR rates. In December 2021, all centrally cleared swaps referring to CHF, JPY and GBP LIBOR were migrated to risk-free rates. The remaining exposures at the end of 2021 consisted solely of bilateral contracts referencing GBP LIBOR that still were required to transition. GBP LIBOR contracts that still were required to transition at the end of 2021 were transitioned in 2022. USD LIBOR rates are still published and contracts referring to this index are expected to be repapered in 2023.

Changes in accounting policies in 2020

The accounting policies applied in the 2020 Consolidated Annual Financial Statements:

COVID-19-Related Rent Concessions (IFRS 16)

The IASB issued the COVID-19-Related Rent Concessions amendment to IFRS 16 Leases. The amendment provides relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. In October 2020, the EU endorsed the amendment to IFRS 16. The amendment applied to annual reporting periods beginning on or after 1 June 2020, earlier application is permitted. As a lessee, ABN AMRO has not obtained any lease concessions attributable to COVID-19. The amendments therefore do not have an impact on ABN AMRO's consolidated financial statements.

Business Combinations (Amendments to IFRS 3)

In October 2018, the IASB issued amendments to IFRS 3 Business Combinations. These amendments, which resolve difficulties in determining whether an entity has acquired a business or a group of assets, are effective for business combinations with an acquisition date on or after 1 January 2020. In October 2020, the EU endorsed the amendment to IFRS 3 to improve the definition of a business. From 1 January 2020, ABN AMRO applied the amended definition of a business for newly acquired business combinations. These amendments do not have an impact on ABN AMRO's consolidated financial statements.

Definition of Material (Amendments to IAS 1 and IAS 8)

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments, which became effective on 1 January 2020, revise the definition of material and align the definition across other IFRS publications such as IFRS Standards and IFRIC Interpretations. These amendments do not have an impact on ABN AMRO's consolidated financial statements.

References to the Conceptual Framework in IFRS

In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting. The Conceptual Framework provides guidance for developing consistent accounting policies and assistance in understanding the standards. The changes in the Conceptual Framework may affect the application of

IFRS in situations where no standard applies to a particular transaction or event. The revised Conceptual Framework came into effect on 1 January 2020. These amendments do not have an impact on ABN AMRO's consolidated financial statements.

Changes in presentation in 2022

Prior to 1 January 2022, the reconciliation between the carrying amounts at the beginning and the end of the period for each component of equity changes resulting from other comprehensive income were disclosed in a separate table as part of the statement of changes in equity. In 2022, the movement schedule explaining the equity components of other comprehensive income including the comparatives was moved to *Notes to the Consolidated Annual Financial Statements – 33 Equity attributable to owners of the parent company* " in the Integrated Annual Report 2022.

Furthermore, in 2022, ABN AMRO changed the presentation of 'Items that may be reclassified to the income statement' in the Statement of Other Comprehensive Income including comparatives to provide more relevant information about the effect of the reclassification adjustments.

New standards, amendments and interpretations not yet endorsed

The International Accounting Standards Board issued the following amendments to existing standards that are not yet endorsed by the EU. It is expected that these amendments will become effective for the reporting period beginning 1 January 2024. Since the amendments are not yet endorsed these changes are not open for early adoption. The standards amended are:

- IAS 1 Classification of liabilities as current or non-current;
- IFRS 16 Lease liability in a sale and lease back.

The expected impact of these changes on the consolidated financial statements is insignificant.

Change in reportable segments

Effective from the start of 2022, ABN AMRO has simplified and centralised its operating model. The organisational structure has also been strengthened and simplified by replacing the four business lines with three units structured around client segments (the 'client units'). ABN AMRO has realigned the new organisational structure with internal reporting to the Executive Board (CODM):

- Retail Banking and part of Commercial Banking have been combined to form Personal & Business Banking;
- Private Banking has been replaced by Wealth Management; and
- Corporate & Institutional Banking and part of Commercial Banking have been combined to form Corporate Banking.

The prior-period figures in the financial information for these segments, as included in the Performance (and Segment Reporting Note) section of the Integrated Annual Report 2022 have been restated accordingly.

The financial results in the Section 7.4 "*Results of operations for the years ended 31 December 2022 and 2021*" are presented in accordance with this structure. The financial results in the Section 7.5 "*Results of operations for the years ended 31 December 2021 and 2020*" are presented in accordance with the prior structure.

7.2 Key Factors Affecting Results of Operations

Drivers of Profitability

The profitability of ABN AMRO Bank is mainly affected by the following key income and expense drivers as well as loan impairments, as specified below.

Key drivers of operating income

The Bank's operating income mainly results from interest-based business and fee and commission-based business.

Interest-based business

Interest-based revenue is the largest contributor to ABN AMRO's operating income generating 69% of total operating income in 2022, (69% in 2021 and 74% in 2020). The Bank earns interest (interest income) on assets such as residential mortgages, consumer loans, commercial loans and other assets. The Bank pays interest (interest expense) on its liabilities to depositors and other creditors. Net interest income is the difference between interest income and interest expenses. In 2022, Personal & Business Banking generated 50% of ABN AMRO's net interest income (48% in 2021), Corporate Banking 39% (36% in 2021), and Wealth Management 14% (12% in 2021).

The Bank's net interest income is driven by the combination of the proceeds of lending and the cost of funding (through deposits and wholesale funding). The asset side of the balance sheet is generally less sensitive to changes in interest rates compared to the liability side of the balance sheet. This is due to the fact that a significant proportion of the assets have a longer term fixed interest and maturity whereas liabilities typically have a shorter term or no maturity and variable interest rates, and thus re-price quickly in reaction to a change in market interest rates. Interest rate increases are therefore expected to initially have a negative effect on net interest income in the short-term but may have a neutral or a positive effect in the medium term. The net interest income can be analysed by two components: the net interest income generated through business activities and the ALM mismatch result.

Net interest income from business activities is comprised of the business margin less capital³ and indirect liquidity⁴ costs. Business margin should cover the required return on allocated equity and all remaining operational and risk costs borne by the business. The business margin is defined as the margin ABN AMRO makes on granting loans to or taking in deposits from clients as well as interest-related fees, for example commitment fees charged on current accounts less the related cost of funding. In line with the Bank's policy that interest rate risk and liquidity risk related to the interest-based business is managed centrally by ALM within Group Functions, ALM charges (in case of an asset) or compensates (in case of a liability) the cost of funds to the business through the funds transfer pricing ("**FTP**") methodology, whereby liquidity risks taken by the Business department are transferred to the ALM department in order to facilitate a holistic assessment of ABN AMRO's risk position. The FTP takes into account both an interest base rate, based on the interest maturity of the transaction (the "**FTP rate**") and a liquidity spread, based on the contractual or behavioural maturity of the transaction. Business segments either pay the FTP rate, for loans and advances, or receive the FTP rate, for deposits, to ALM. The mismatch in maturities between assets and liabilities is managed centrally by ALM and the resultant interest mismatch position is defined as the interest results recorded in ALM. Generally, the steering of the interest mismatch position is done via hedging transactions, with the aim to reduce the sensitivity of the net interest income to future interest rates moves. From time-to-time, ABN AMRO could anticipate future interest rate moves and may try to enhance its interest income by taking certain positions in the swap market, for example.

Fee and commission-based business

The secondary contributor to ABN AMRO's operating income is its fee and commission-based business generating 23% of total operating income in 2022, 22% of total ABN AMRO's operating income in 2021 and 20% in 2020. Fee and commission income can arise as compensation for services provided by ABN AMRO to its clients. This income can arise from transaction services, asset management services, payment services or other services. The profitability of fee and commission-based businesses depends on fees and commissions charged to the client for providing these services and the related fee and commission expenses incurred by ABN AMRO. In 2022, Corporate Banking generated 38% of ABN AMRO's net fee and commission income (39% in 2021), Wealth Management 33% (36% in 2021), Personal & Business Banking 30% (26% in 2021) and Group Functions 0% (0% in 2021).

³ Capital costs are costs incurred by ALM for maintaining capital buffers on top of equity. These costs are not part of the FTP and are charged lump sum by ALM to the business.

⁴ Indirect liquidity costs are costs incurred by ALM for maintaining a liquidity buffer. These costs are not part of the FTP and are charged lump sum by ALM to the business.

Within ABN AMRO the main fee contributors are:

1. *Transaction fees on securities*

Transaction fees on securities are fees charged to clients for executing buying or selling securities by order of clients. The majority of these transaction fees on securities arises from ABN AMRO's Clearing activities and Wealth Management.

2. *Payment services fees*

Payment services fees are generated from providing payment products and services to clients. These concern products and services facilitating efficient payment transactions, such as debit and credit cards, acceptance of cash and non-cash payments (e.g. cheque), granting of bank guarantees, and the offering of bank accounts. This type of fees arises mainly from Personal & Business Banking.

3. *Asset Management fees*

Asset Management fees arise mainly from discretionary portfolio management, where the client hands over all assets to be managed by ABN AMRO, and investment advisory, where ABN AMRO advises the client on how to manage his or her assets. The main contributor to asset management fees come from Wealth Management:

- Discretionary portfolio management fees are generated from an all-in fee. An all-in fee means that no additional charges are levied on top of the fee paid for the investment services. The fee is a fixed percentage over the asset value. The percentage is based on the total asset value of the client and the risk profile of the client.
- Investment advisory fees arise from either an all-in fee or an advice fee. The main difference between all-in fee and advice fee is that transaction costs are included in the all-in fee and are charged separately as a transaction fee in the latter.

4. *Guarantees and commitment fees*

A guarantee given by ABN AMRO is mainly paid for by a one-off percentage of the guaranteed limit. A commitment fee is the pricing of the unutilised portion of a credit facility. These types of fees arise predominantly in Corporate Banking.

Fees and commissions are impacted by economic developments in general (i.e., fewer payments and less guarantees fees as a result of lower economic activity) and the performance of securities markets in particular (lower number and volume of transactions resulting in less transaction and asset management fees). Transaction fees (and therefore fees and commission income) will tend to increase as a result of market volatility, even if markets go down.

Key drivers of operating expenses

Personnel expenses

Banking is a human capital-intensive business, as it is, for an important part, a relationship driven business with increasing compliance and risk management requirements. Therefore, personnel expenses contribute significantly to ABN AMRO's expenses and amounted to 45% of the Bank's operating expenses in 2022 (40% in 2021 and 43% in 2020). This means that ABN AMRO is dependent on conditions and trends in local labour markets, primarily the Dutch market. Personnel expenses comprise of all expenses related to personnel on the payroll of ABN AMRO and consists of fixed salary, employer social security charges, employee benefits (e.g. pension premiums, jubilee benefits) and variable remuneration. Expenses related to personnel not on ABN AMRO's payroll, such as external consultants and temporary staff, are included in general and administrative expenses.

The majority of the Bank's personnel expenses consist of salaries and wages in addition to pension expenses.

General and administrative expenses

Financial services companies typically have relatively large fixed operating costs related to automated product and transaction systems, which bear little to no direct relationship with the business volume. This means that an increase in the business volume may not be fully translated into expense growth, and *vice versa*. Expense savings mainly comes from the periodic improvement of the efficiency of administrative processes and systems.

The majority of general and administrative expenses relate to information technology followed by agency staff, contractors and consultancy costs. General and administrative expenses amounted to 52% of ABN AMRO's operating expenses in 2022 (57% in 2021 and 51% in 2020).

Regulatory charges

Regulatory charges have increased significantly in the period under review and are expected to increase further. Regulatory charges are all expenses directly charged by regulatory or supervisory institutions to ABN AMRO (see also "*Other key drivers of impairment charges financial instruments*" below). Regulatory charges for the period 2020-2022 mainly comprise:

Bank tax

Following the 2008 financial crisis, several countries introduced additional charges to the financial services industry. These charges are commonly known as bank taxes. Bank taxes are paid to local tax authorities. The amount of Dutch bank tax to be paid is based upon the preceding December adjusted IFRS consolidated balance sheet total of ABN AMRO. In addition to the Dutch Bank tax, ABN AMRO is liable to bank taxes in several other jurisdictions.

Deposit Guarantee Scheme

Banks gathering guaranteed deposits under a Dutch banking license are required by law to fund the Dutch Deposit Guarantee Scheme. The contributions are based on the level of deposits guaranteed and the risk profile of ABN AMRO, as determined by the regulator. The contribution of ABN AMRO to the Dutch Deposit Guarantee Scheme have to be paid quarterly. ABN AMRO is also subject to several deposit guarantee schemes outside the Netherlands. For countries other than the Netherlands, the contributions and terms and conditions can differ from the Dutch Deposit Guarantee Scheme.

Single Resolution Fund

ABN AMRO has made contributions to the Single Resolution Fund in 2020, 2021 and 2022. For further information, please see "*Risk Factors, Resolution regimes may lead to fewer assets of the Issuer being available to investors for recourse for their claims, and may lead to lower credit ratings and possibly higher cost of funding.*", "*Issuer – 1.3 Regulation*" and "*Issuer – 1.4 Legal and arbitration proceedings*".

The terms and conditions for the contributions to the Funds as mentioned above can vary in different countries or regions.

European Central Bank

The European Central Bank assumed supervisory oversight of ABN AMRO in a joint supervisory team with the Dutch Central Bank in 2014. Since 2015 onwards, ABN AMRO has been required to pay a yearly contribution for this supervision. In addition to the abovementioned regulatory charges, ABN AMRO has seen an increase of costs related to implementation and compliance with new regulations.

Major changes in laws and regulations and in their interpretation could materially and adversely affect the Bank's business, business model, financial condition, results of operations and prospects.

The table below sets forth the breakdown of the Group's regulatory charges for the 2020-2022 period.

	Year ended 31 December		
	2022	2021	2020
Bank tax	97	150	95

(in millions of euros)

	Year ended 31 December		
	2022	2021	2020
	<i>(in millions of euros)</i>		
Deposit Guarantee Scheme	93	127	128
Single Resolution Fund	207	159	145
Other regulatory levies	30	27	29
Total regulatory charges	426	463	397

Impairment charges on financial instruments

ABN AMRO's results of operations are also affected by the level of impairment charges on financial instruments. These impairment charges result from changes in the quality of assets. The quality of assets is impacted by the economic developments in general and the housing market in particular, as the mortgage portfolio counts for more than 58% of ABN AMRO's loan book (as defined by total loans and advances customers) for the year ended 31 December 2022. Impairment charges on financial instruments are closely related to the interest-based business, as it is based on credit risk and compensation for credit risk is charged to the client as part of the business margin on interest-earning assets.

Acquisitions and divestments

No significant acquisitions were performed in 2022.

Divestments performed in 2022

The change in divestments in 2022 was impacted by the sale of ABN AMRO Levensverzekeringen, ABN AMRO Pensioeninstellingen and MP Solar.

No significant acquisitions were performed in 2021.

Sale of Maas Capital Shipping (2021)

The change in divestments in 2021 was impacted by the sale of the Maas Capital Shipping portfolio as part of the CIB non-core wind-down. Maas Capital Shipping includes participations in the shipping, intermodal and offshore services sectors for a total amount of EUR 227 million. The transaction price, including direct transaction costs, was equal to the carrying amount.

No significant acquisitions were performed in 2020.

No significant divestments were performed in 2020.

Economic developments

The Bank's business and performance, including its results of operations, are affected by Dutch, European and global economic and market conditions and future economic prospects, particularly in the Netherlands in which ABN AMRO's operating income is predominantly generated (86% for the year ended 31 December 2022 and 90% for the year ended 31 December 2021).

The Bank's operations are also affected by the developments in the Dutch housing and mortgage market with 37% of total assets of ABN AMRO for the year ended 31 December 2022 and 37% of total assets of ABN AMRO for the year ended 31 December 2021 consisting of residential mortgages.

In 2022, the Dutch economy began to recover from the effects of COVID-19. During the year, GDP grew by 4.5% compared to 4.8% in 2021.

The war in Ukraine has caused considerable disruption in society. Higher energy prices have led to a higher cost of living in many countries, including the Netherlands. The war has also added to a sense of uncertainty at a time when society is still recovering from the after-effects of the COVID-19 pandemic.

During 2022, there was increased evidence of climate change. Europe experienced a long heatwave during the summer. The EU has pledged carbon neutrality by 2050; companies, including ABN AMRO, are making similar pledges. According to the UN Environment Programme (UNEP), the world is currently on course for global warming of +2.8°C, above the +1.5°C target set out in the 2015 Paris Climate Agreement. Therefore, climate change remains a priority for ABN AMRO, both in managing climate risk in its business and in supporting its clients' transition to new, low-carbon business models.

Digital technologies have become a fixture globally in everything from shopping, communications and transport to banking. At ABN AMRO, digital technologies are used to improve client service, increase efficiency and reduce operating costs. Data is giving ABN AMRO new insights into what its clients need and want. At the same time, digital technologies bring new risks and ABN AMRO is monitoring cyber and privacy risks, for example, to protect its systems and keep its clients' money safe.

Banking is one of the most highly regulated industries. ABN AMRO aims to adapt to new regulations in all areas of its business, ranging from risk management to payment services and consumer protection. New capital rules are being introduced under Basel IV. EU regulators have also introduced new rules on sustainable finance. These include the Sustainable Finance Disclosure Regulation ("**SFDR**"), which applies to asset managers and investment advisers, and the planned Corporate Sustainability Reporting Directive ("**CSRD**"), due to come into effect from 2024. As of 2025, the CSRD will require all large companies to report more on their social and environmental performance, in an effort to increase funding for more sustainable businesses.

Many households are struggling with rising prices, particularly for food and energy. According to the Netherlands Bureau for Economic Policy, poverty rates increased to 6.7% in 2022. As one of the Netherlands' leading retail banks, ABN AMRO is supporting its clients where possible. Government intervention is expected to soften the effect of rising consumer prices, particularly among lower-income groups struggling to pay household bills. The government's 2023 budget excises duty on fuel and increased social security payments for those who need it the most. The government also agreed a separate price cap with energy companies to limit household bills.

Societal attitudes continue to change, and ABN AMRO is seeing a greater emphasis on diversity, inclusion and fairness following the pandemic. At the same time, attitudes in the workplace are changing. The increase in at-home working since COVID-19 has highlighted the importance of well-being, with renewed pressure on employers to support mental health.

Wind-down of CIB Portfolio

The Bank has nearly completed the wind-down of the non-core part of its former Corporate & Institutional Banking business, currently part of Corporate Banking. In 2022, ABN AMRO closed its offices in Dubai, Shanghai, Sydney and Brazil. Sydney and Brazil will continue as Clearing locations. By the end of 2022, ABN AMRO decreased its Corporate Banking non-core loans and advances by 93%. The wind-down has significantly improved the bank's risk profile, which is in line with ABN AMRO's commitment to maintain a moderate risk profile.

AML Settlement

In 2021, ABN AMRO accepted a settlement offer from the Netherlands Public Prosecution Service following the latter's investigation into the bank's anti-money laundering ("**AML**") activities in the Netherlands. As part of the settlement, ABN AMRO agreed to pay a fine of EUR 300 million and a disgorgement of EUR 180 million. In 2022, EUR 84 million was added to the provisions for the AML remediation programmes. The scope of the provision was further updated to incorporate additional requirements agreed with the DNB and, after a review, more AML remediation related activities were added to the provision.

Impairments

ABN AMRO recognises loss allowances based on the Expected Credit Loss model of IFRS 9, which is designed to be forward-looking. Where necessary, management judgement is applied via a management overlay to reflect the credit risk dynamics not captured by ABN AMRO's models.

The amount of expected credit loss allowances is based on the probability-weighted present value of all expected cash shortfalls over the remaining life of the financial instrument for both on- and off-balance sheet exposures.

For expected credit loss calculations, ABN AMRO uses three different scenarios of future economic developments: a baseline (or most likely) scenario, a negative scenario and a positive scenario.

The three scenarios are incorporated into the expected credit loss calculation and risk stage determination in a probability-weighted manner. In order to incorporate the latest economic outlook (including the macroeconomic repercussions of the COVID-19 pandemic), the scenarios and their weights are reviewed each quarter and adjusted if necessary.

A charge of EUR 39 million in impairments was recorded for 2022 (2021: net release of EUR 46 million). Charges were attributable to a more unfavourable economic scenario during the year, partly offset by releases from management overlays and releases in the existing stage 3 portfolio. The releases in stage 3 can be largely attributed to better performance of the existing defaulted portfolio, repayments of stage 3 loans, outflow to the performing portfolio and recoveries.

A net release of EUR 46 million in impairments was recorded for 2021. These were attributable to a more favourable economic scenario during the year, partly offset by additions from management overlays. Additions to individual files classified in stage 3 during 2021 were limited. Additions to existing stage 3 files were attributable to the oil and gas and energy-offshore sectors in CIB.

A net charge of EUR 2,303 million was recorded for 2020, mainly reflecting the economic impact of COVID-19, oil price developments, and three exceptional client files. The full-year impairment charges were lower than guidance provided during 2020, largely because the CIB non-core portfolio performed better, and was reduced faster than expected.

7.3 Explanation of key income statement items

Operating income

Operating income includes net interest income, net fee and commission income and other operating income.

Net interest income

Interest income and expenses are recognised in the income statement on an accrual basis for all financial instruments using the effective interest rate method except for those financial instruments measured at FVTPL. The effective interest rate method allocates interest, amortisation of any discount or premium or other differences, including transaction costs and qualifying fees and commissions, over the expected lives of the assets and liabilities. The effective interest rate is the rate that discounts estimated future cash flows to the net carrying amount of the asset. As a result, this method requires ABN AMRO to estimate future cash flows, in some cases based on its experience of customer behaviour, considering all contractual terms of the financial instrument, as well as the expected lives of the assets and liabilities. Interest income and expenses on loans and advances measured at FVTPL is also included in net interest income and is recognised on an accrual basis by using the applicable contractual interest rates. Due to the significant number of products, there are no individual products that are material to the bank's results or financial position. Interest income and expenses of trading balances are included in net trading income. Interest paid on assets with a negative interest yield is classified as interest expense. Interest received from liabilities with a negative interest yield is classified as interest income.

Net fee and commission income

ABN AMRO applies IFRS 15 when recognising revenue from contracts with customers, all of which is included in net fee and commission income. After identifying contracts and their performance obligations, revenue is recognised as an amount that reflects the consideration to which the bank expects to be entitled to receive in exchange for transferring promised goods or services to customers. The transaction price is allocated to each performance obligation. Revenue is recognised when a promised good or service is transferred to the customer, either at a point in time (the fee is a reward for a service provided at one moment in time) or over time (the fee relates to services on an ongoing basis). Revenue is measured at the fair value of the consideration received, taking into account discounts and rebates. The amount of revenue recognised is discounted to the present value of consideration due, if payment extends beyond normal credit terms.

Other operating income

Other operating income comprises net trading income, share of result in equity-accounted investments and other income.

Net trading income

In accordance with IFRS 9, trading positions are held at fair value and net trading income includes gains and losses arising from changes in the fair value of financial assets and liabilities which are trading financial assets and liabilities, interest income and expenses related to trading financial assets and liabilities, dividends received from trading instruments and related funding costs. Dividend income from trading instruments is recognised when entitlement is established. Net trading income also includes changes in fair value arising from changes in counterparty credit spreads and changes in own credit spreads where these impact the value of ABN AMRO's trading liabilities. The funding value adjustment incorporates the incremental cost of funding into the valuation of uncollateralised and partly collateralised derivatives.

Share of result in equity-accounted investments

Share of result in equity accounted investments comprises ABN AMRO's share of the profit or loss of equity-accounted investments.

Other income

Other income includes all other banking activities such as leasing activities and results on the disposal of assets. It also includes the change in fair value of derivatives used for risk management purposes that do not meet the requirements of IFRS 9 for hedge accounting, ineffectiveness of hedging programs, fair value changes relating to assets and liabilities designated at fair value through profit or loss ("FVTPL"), and changes in the value of derivatives related to such instruments. Dividend income from non-trading equity investments is recognised when entitlement is established.

Operating expenses

Operating expenses include personnel expenses and other expenses.

Personnel expenses

Salaries and wages, social security charges and other salary-related costs are recognised over the period in which the employees provide the services to which the payments relate.

Other expenses

Other expenses comprises general and administrative expenses and depreciation and amortisation of tangible and intangible assets. General and administrative expenses include, among other items, agency staff, contractors, consultancy, staff-related, IT, housing, post, telephone, transportation and marketing costs. Regulatory charges, including Dutch bank tax is also included in general and administrative expenses. Depreciation and amortisation of tangible and intangible assets includes depreciation on tangible assets, amortisation of intangible assets and impairment losses on tangible and intangible assets.

Operating result

Result from operating activities, defined as the net result of operating income and operating expenses.

Impairment charges on financial instruments

ABN AMRO recognises loss allowances based on the Expected Credit Loss ("ECL") model of IFRS 9, which is designed to be forward-looking. The IFRS 9 impairment requirements are applicable to financial assets measured at amortised cost or FVOCI, loan commitments and financial guarantee contracts.

The amount of ECL allowances is based on the probability-weighted present value of all expected cash shortfalls over the remaining life of the financial instrument for both on- and off-balance sheet exposures. ABN AMRO distinguishes between two types of calculation methods for credit loss allowances:

- Individual Lifetime ECL ("LECL") for credit-impaired (stage 3) financial instruments with exposures above EUR 3 million. For more information regarding the calculation method, please see "*Risk, funding & capital – Credit risk management*" in the Integrated Annual Report 2022; and

- Collective 12-month ECL (stage 1) and LECL (stage 2 and 3) for financial instruments that have similar credit risk characteristics (e.g. residential mortgages, consumer loans, SME loans) are clustered in portfolios and collectively assessed for impairment losses. A collective impairment calculation approach based on individual parameters is also applied for exposures below EUR 3 million. ABN AMRO has models to quantify the Probability of Loss ("PL"), Loss Given Loss ("LGL") and Exposure at Loss ("EAL") for the purpose of calculating the collective 12-month ECL and LECL for these financial instruments.

Impairment losses on property and equipment, goodwill and other intangible assets, are not included under impairment charges but recognised in the income statement as depreciation and amortisation expenses. For more information regarding impairment charges, please see "*Risk, funding & capital – Credit risk management*" in the Integrated Annual Report 2022.

Operating profit/(loss) before taxation

The profit or loss before tax is defined as the operating result less impairment charges on financial instruments.

Income tax expense

ABN AMRO is subject to income taxes in numerous jurisdictions. Income tax expense consists of current and deferred tax. Income tax is recognised in the income statement in the period in which profits arise.

Profit/(loss) for the period

Profit or loss for the period is defined as the profit or loss before tax less income tax expenses or credit.

7.4 Results of operations for the years ended 31 December 2022 and 2021

The below discussion of ABN AMRO's results of operations for the year ended 31 December 2022 as compared to the year ended 31 December 2021 is based on the 2022 Consolidated Annual Financial Statements. For further information, please see "*Summary of Financial Information Policies*".

Selected consolidated income statement

The table below summarises ABN AMRO's results of operations for the years ended 31 December 2022 and 31 December 2021.

	Year ended 31 December	
	2022	2021
	<i>(in millions of euros)</i>	
Net interest income	5,422	5,210
Net fee and commission income.....	1,778	1,664
Other operating income.....	640	724
Operating income	7,841	7,597
Personnel expenses.....	2,458	2,324
Other expenses.....	2,968	3,482
Operating expenses	5,425	5,806
Operating result	2,415	1,791
Impairment charges on financial instruments	39	-46
Operating profit/(loss) before taxation	2,376	1,838
Income tax expense	509	604
Net profit/(loss) for the period	1,867	1,234
<i>Attributable to</i>		
Owners of ABN AMRO (including holders of ATI capital securities).....	1,868	1,231
Non-controlling interests	-	3
	Year ended 31 December	
	2022	2021
Net interest margin (NIM) (in bps).....	129	127
Cost/income ratio	69.2%	76.4%
Cost of risk (in bps) ⁽¹⁾	3	-7
Return on average Equity ⁽²⁾	8.7%	5.8%
Dividend per share (in EUR) ⁽³⁾	0.99	0.61
Earnings per share (in EUR) ⁽⁴⁾	1.96	1.21

	As at 31 December	
	2022	2021
Client assets (in billions).....	301.2	313.6
Risk-weighted assets (in billions).....	128.6	117.7
Number of employees (in FTEs).....	20,038	19,957
Number of non-employees (in FTEs).....	4,575	6,524

- ⁽¹⁾ Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances - customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding the fair value adjustments from hedge accounting.
- ⁽²⁾ Annualised profit for the period excluding coupons attributable to AT1 capital securities and results attributable to non-controlling interests divided by the average equity attributable to the owners of ABN AMRO excluding AT1 capital securities.
- ⁽³⁾ Interim/final dividend per share over the relevant period as declared/proposed by ABN AMRO, subject to approval at the annual general meeting (AGM).
- ⁽⁴⁾ Profit for the period excluding coupons attributable to AT1 capital securities and results attributable to non-controlling interests divided by the average outstanding and paid-up ordinary shares.

Net profit/(loss) for the period

ABN AMRO's full-year profit for 2022 amounted to EUR 1,867 million (2021: EUR 1,234 million).

Return on average equity in 2022 was 8.7%, compared with 5.8% in 2021.

Operating income

Operating income increased by EUR 244 million to EUR 7,841 million in 2022 (2021: EUR 7,597 million). The increase was mainly attributable to higher net interest income and higher fee and commission income.

Net interest income

Net interest income increased by EUR 212 million to EUR 5,422 million in 2022 (2021: EUR 5,210 million). Excluding large incidentals, net interest income decreased by EUR 70 million, mainly due to a significant decrease in mortgage prepayment penalties, lower Treasury results and asset margin pressure (in residential mortgages and consumer loans), partly offset by higher interest margins on deposits in the final quarter of 2022, recorded in all client units.

Net fee and commission income

Net fee and commission income increased by EUR 114 million to EUR 1,778 million in 2022 (2021: EUR 1,664). This increase related mainly to higher transaction volumes and pricing from personal clients, improved credit card usage in ICS and higher transaction volumes at Clearing due to increased market volatility throughout 2022.

Other operating income

Other operating income decreased by EUR 84 million to EUR 640 million in 2022 (2021: EUR 724 million). This was mainly due to large incidentals in 2022, which consisted of a loss due to the change in the TLTRO III terms and conditions, and large incidentals in 2021, which consisted of a gain on the sale and leaseback of the Amsterdam head office, partly offset by positive trading results at Global Markets (impacted by the significant increase in interest rates and FX developments throughout 2022) and higher CVA/DVA/FVA results (EUR 60 million in 2022 versus EUR 46 million in 2021).

Personnel expenses

Personnel expenses increased by EUR 134 million to EUR 2,458 million in 2022 (2021: EUR 2,324 million). Excluding large incidentals, these expenses increased by EUR 100 million, mainly due to the 4% salary increase agreed under the new collective labour agreement ("**CLA**") and higher full-time employees for AML-related activities, IT and strategy execution throughout 2022.

Other expenses

Other expenses decreased by EUR 514 million to EUR 2,968 million in 2022 (2021: EUR 3,482 million), mainly due to lower regulatory levies and lower expenses from external staffing, partly related to AML activities and large incidentals.

Operating expenses

Operating expenses decreased by EUR 381 million to EUR 5,425 million in 2022 (2021: EUR 5,806 million). The decrease was mainly attributable to lower other expenses.

Operating result

Operating result increased by EUR 625 million to EUR 2,416 million in 2022 (2021: EUR 1,791 million) mainly as a result of net interest income and other expenses.

Impairment charges on financial instruments

Impairment charges changed by EUR 85 million and recorded an addition of EUR 39 million for 2022 (2021: release of EUR 46 million), resulting in a cost of risk of 3 basis points in 2022, compared to 7 negative basis points in 2021. Charges were attributable to a more unfavourable economic scenario during the year, partly offset by releases from management overlays and releases in the existing stage 3 portfolio. The releases in stage 3 can be largely attributed to better performance of the existing defaulted portfolio, repayments of stage 3 loans, outflow to the performing portfolio and recoveries.

Income tax expenses

Income tax expenses decreased by EUR 95 million to EUR 509 million in 2022 (2021: EUR 604 million).

Consolidated Balance Sheet Movements

	As at 31 December	
	2022	2021
	<i>(in millions of euros)</i>	
Assets:		
Cash and balances at central banks.....	60,865	66,865
Financial assets held for trading.....	907	1,155
Derivatives.....	5,212	3,785
Financial investments.....	39,034	43,165
Securities financing	20,032	16,138
Loans and advances banks.....	2,982	2,801
Loans and advances customers.....	243,927	258,251
Other.....	6,622	6,955
Total assets	379,581	399,113
Liabilities:		
Financial liabilities held for trading.....	641	687
Derivatives.....	4,148	4,344
Securities financing.....	9,652	9,494
Due to banks.....	17,509	38,076
Due to customers.....	255,015	251,218
Issued debt.....	56,259	59,688
Subordinated liabilities.....	7,290	7,549
Other.....	6,253	6,059
Total liabilities	356,767	377,114
Equity:		
Equity attributable to owners of ABN AMRO.....	22,812	21,994
Equity attributable to non-controlling interests.....	2	5
Total equity	22,814	21,999
Total liabilities and equity	379,581	399,113
Committed credit facilities.....	53,873	54,642
Guarantees and other commitments.....	7,651	7,598

Total assets

Total assets declined by EUR 19.5 billion, totalling EUR 379.6 billion at 31 December 2022 (2021: EUR 399.1 billion). The decline was mainly caused by TLTRO III programme repayments, fair value adjustments from hedge accounting and the decrease in professional lending.

Cash and balances at central banks

Cash and balances at central banks decreased by EUR 6.0 billion to EUR 60.9 billion at 31 December 2022 (31 December 2021: EUR 66.9 billion), due to TLTRO repayments. ABN AMRO participated in the TLTRO III facility from June 2020 onwards.

Financial assets held for trading

Financial assets held for trading decreased by EUR 0.2 billion to EUR 0.9 billion at 31 December 2022 (31 December 2021: EUR 1.2 billion).

Derivatives - assets

Derivatives increased by EUR 1.4 billion to EUR 5.2 billion at 31 December 2022 (31 December 2021: EUR 3.8 billion).

Financial investments

Financial investments decreased by EUR 4.1 billion to EUR 39.0 billion at 31 December 2021 (31 December 2021: EUR 43.2 billion).

Securities financing - assets

Securities financing increased by EUR 3.9 billion to EUR 20.0 billion at 31 December 2022 (31 December 2021: EUR 16.1 billion).

Loans and advances banks

Loans and advances banks increased by EUR 0.2 billion to EUR 3.0 billion at 31 December 2022 (31 December 2021: EUR 2.8 billion). The increase was mainly attributable to an increase in interest-bearing deposits.

Loans and advances customers

Loans and advances customers decreased by EUR 14.4 billion, totalling EUR 243.9 billion at 31 December 2022 (31 December 2021: EUR 258.3 billion) largely due to a decrease of EUR 8.4 billion in professional lending (with several Clearing clients reducing their positions and self-financing their deposit and margin contributions) and to a decrease in fair value adjustments from hedge accounting. This was partially offset by an increase in client loans.

	As at 31 December	
	2022	2021
	<i>(in millions of euros)</i>	
Residential mortgages	150,762	146,351
Consumer loans	10,232	10,794
Corporate loans to clients ⁽¹⁾	79,085	77,965
<i>Of which: Personal & Business Banking</i>	8,962	9,920
<i>Of which: Corporate Banking</i>	63,886	62,230
Total client loans⁽²⁾	240,079	235,110
Loans to professional counterparties and other loans ⁽³⁾	15,209	23,605
Total loans and advances customers⁽³⁾	255,288	258,715
Fair value adjustments from hedge accounting	-9,335	1,951
Less: loan impairment allowance	2,026	2,416
Total loans and advances customers	243,927	258,251

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

Other assets

Other assets decreased by EUR 0.4 billion to EUR 6.6 billion at 31 December 2022 (31 December 2021: EUR 7.0 billion).

Total liabilities

Total liabilities decreased by EUR 20.3 billion, totalling EUR 356.8 billion at 31 December 2022 (31 December 2021: EUR 377.1 billion), mainly driven by a decline in due to banks.

Financial liabilities held for trading

Financial liabilities held for trading decreased by EUR 0.1 billion to EUR 0.6 billion at 31 December 2022 (31 December 2021: EUR 0.7 billion).

Derivatives - liabilities

Derivatives decreased by EUR 0.2 billion to EUR 4.1 billion at 31 December 2022 (31 December 2021: EUR 4.3 billion).

Securities financing - liabilities

Securities financing increased by EUR 0.2 billion to EUR 9.7 billion at 31 December 2022 (31 December 2021: EUR 9.5 billion).

Due to banks

Due to banks decreased by EUR 20.6 billion to EUR 17.5 billion 31 December 2022 (31 December 2021: EUR 38.1 billion), mainly related to TLTRO repayments.

Due to customers

Due to customers increased by EUR 3.8 billion, totalling EUR 255.0 billion at 31 December 2022 (31 December 2021: EUR 251.2 billion). This was mainly caused by an increase in client deposits (due to increasing economic uncertainty, leading to more saving and less spending).

	As at 31 December	
	2022	2021
	<i>(in millions of euros)</i>	
Personal & Business Banking	122,918	117,276
Wealth Management	64,556	63,333
Corporate Banking	60,563	64,427
Group Functions.....	6,978	6,182
Total due to customers	255,015	251,218

Issued debt

Issued debt decreased by EUR 3.4 billion to EUR 56.3 billion at 31 December 2022 (31 December 2021: EUR 59.7 million). Issued debt included EUR 23.8 billion in covered bonds, EUR 8.2 billion in senior preferred funding, EUR 9.5 billion in senior non-preferred funding and EUR 14.7 billion in commercial paper and certificates of deposit. EUR 4.4 billion in outstanding long-term funding and EUR 14.7 billion in outstanding short-term funding mature within 12 months.

Subordinated liabilities

Subordinated liabilities decreased by EUR 0.2 billion to EUR 7.3 billion at 31 December 2022 (31 December 2021: EUR 7.5 billion). The decrease was mainly due to the maturity of subordinated loans, partly offset by the issuance of a new instrument.

Other liabilities

Other liabilities increased by EUR 0.2 billion to EUR 6.3 billion at 31 December 2022 (31 December 2021: EUR 6.1 billion). The increase was mainly due to increases in provisions and unsettled securities transactions.

Total equity

Total equity increased by EUR 0.8 billion to EUR 22.8 billion at 31 December 2022 (31 December 2021: EUR 22.0 billion). This increase was mainly attributable to the inclusion of profit for the period and an increase in accumulated other comprehensive income.

Equity attributable to owners of the parent company

Equity attributable to owners of the parent company amounted to EUR 22.8 billion at 31 December 2022. Excluding AT1 securities, it increased by EUR 0.8 billion to EUR 20.8 billion at 31 December 2022 (31 December 2021: EUR 22.0 billion).

Results of Operations by Segment for the Years Ended 31 December 2022 and 2021

The sections below summarise ABN AMRO's results of operations by segment for the years ended 31 December 2022 and 31 December 2021.

Personal & Business Banking

This client unit serves consumer and business clients with banking and partner offerings, providing the convenience of digital interactions and access to expertise when it matters most.

The table below summarises the Personal & Business Banking segment's results for the years ended 31 December 2022 and 31 December 2021.

Personal & Business Banking: Selected Financial Information

	Year ended 31 December	
	2022	2021
	<i>(in millions of euros)</i>	
Net interest income	2,707	2,502
Net fee and commission income.....	526	438
Other operating income.....	101	34
Operating income	3,334	2,974
Personnel expenses.....	463	462
Other expenses.....	2,195	2,215
Operating expenses	2,658	2,677
Operating result	676	297
Impairment charges on financial instruments	73	-23
Operating profit/(loss) before taxation	603	320
Income tax expense	144	92
Net profit/(loss) for the period	459	228

	As at 31 December	
	2022	2021
Loans and advances customers (in billions)	157.8	155.8
<i>Of which Client loans (in billions)⁽¹⁾</i>	158.4	156.6
Due to customers (in billions)	122.9	117.3
Risk-weighted assets (risk exposure amount; in billions).....	38.9	40.3
Number of employees (in FTEs)	4,513	4,704
Total client assets (in billions).....	99.0	99.7

	As at 31 December	
	2022	2021
<i>Of which Cash (in billions)</i>	88.6	87.3
<i>Of which Securities (in billions)</i>	10.4	12.4

(1) Gross carrying amount excluding fair value adjustment from hedge accounting.

Net profit/(loss) for the period

Net profit increased by EUR 231 million to EUR 459 million in 2022 (2021: EUR 228 million).

Net interest income

Net interest income increased by EUR 205 million to EUR 2,707 million (2021: EUR 2,502 million). Excluding large incidentals, net interest income increased mainly due to improved deposit interest margins.

Net fee and commission income

Net fee and commission income increased by EUR 88 million to EUR 526 million (2021: EUR 438 million), reflecting recovery in credit card usage and higher payment service income (due to higher pricing and transaction volume).

Other operating income

Other operating income increased by EUR 67 million, totalling EUR 101 million in 2022 (2021: EUR 34 million).

Personnel expenses

Personnel expenses increased by EUR 1 million and amounted to EUR 463 million in 2022 (2021: EUR 462 million). The impact of the new CLA was fully offset by a decrease in full-time employees.

Other expenses

Other expenses decreased by EUR 20 million, totalling EUR 2.195 million in 2022 (2021: EUR 2,215 million). Excluding incidentals, the decrease was mainly due to lower regulatory levies and lower expenses for external staff.

Operating expenses

Operating expenses decreased by EUR 19 million to EUR 2,658 million in 2022 (2021: EUR 2,677 million).

Operating result

The operating result increased by EUR 379 million to EUR 676 million in 2022 (2021: EUR 297 million).

Impairment charges

Impairment charges increased by EUR 96 million and recorded a charge of EUR 73 million in 2022 (2021: release of EUR 23 million), mainly due to model-based additions because macroeconomic variables deteriorated throughout the year.

Income tax expense

Income tax expense decreased by EUR 52 million to EUR 144 million in 2022 (2021: EUR 92 million).

Loans and advances customers

Loans and advances customers increased by EUR 2.0 billion to EUR 157.8 billion in 2022 (2021: EUR 155.8 billion), mainly due to an increase in residential mortgages.

Due to customers

Due to customers decreased by EUR 5.6 billion to EUR 122.9 billion at 31 December 2022 (31 December 2021: EUR 117.3 billion).

Total client assets

Total client assets decreased by EUR 0.7 billion to EUR 99.0 billion (2021: EUR 99.7 billion), mainly driven by the decline in stock markets throughout 2022 that led to a lower value for securities client assets.

Wealth Management

The Wealth Management client unit delivers outstanding expertise with tailored value propositions for wealthy clients, focusing on investment advice, financial planning and real estate financing.

The table below summarises the Wealth Management segment's results for the years ended 31 December 2022 and 31 December 2021.

Wealth Management: Selected Financial Information

	Year ended 31 December	
	2022	2021
	<i>(in millions of euros)</i>	
Net interest income	764	634
Net fee and commission income.....	595	601
Other operating income	118	48
Operating income	1,477	1,283
Personnel expenses.....	390	387
Other expenses	617	569
Operating expenses	1,007	956
Operating result	470	327
Impairment charges on financial instruments	29	-6
Operating profit/(loss) before taxation	441	333
Income tax expense	93	95
Net profit/(loss) for the period	347	238

	As at 31 December	
	2022	2021
Loans and advances customers (in billions)	17.0	15.9
<i>Of which Client loans (in billions)⁽¹⁾</i>	17.1	16.0
Due to customers (in billions)	64.6	63.3
Risk-weighted assets (risk exposure amount, in billions)	11.3	10.6
Number of employees (in FTEs)	2,848	2,867
Total client assets (in billions)	202.2	213.9
- of which Cash	64.6	63.3
- of which Securities	137.6	150.6

⁽¹⁾ Gross carrying amount excluding fair value adjustment from hedge accounting.

Net profit/(loss) for the period

Net profit for 2022 increased by EUR 109 million to EUR 347 million (2021: EUR 238 million).

Net interest income

Net interest income increased by EUR 130 million and amounted to EUR 764 million in 2022 (2021: EUR 634 million). This increase was mainly attributable to improved margins on deposits due to rising interest rates.

Net fee and commission income

Net fee and commission income decreased by EUR 6 million, amounting to EUR 595 million (2021: EUR 601 million) as stock markets opened to a strong start in 2022 but then declined throughout the year.

Other operating income

Other operating income increased by EUR 70 million to EUR 118 million in 2022 (2021: EUR 48 million). This was mainly due to the results from the sale of ABN AMRO Pensioeninstelling.

Personnel expenses

Personnel expenses increased by EUR 3 million to EUR 390 million in 2022 (2021: EUR 387 million). The impact of the new CLA in the last quarter of 2022 was partly offset by staff-related provision releases.

Other expenses

Other expenses increased by EUR 48 million to EUR 617 million in 2022 (2021: EUR 569 million). This was mainly due to higher IT expenses and provision amounts, which were offset by lower regulatory levies and lower expenses for external staff.

Operating result

The operating result increased by EUR 143 million to EUR 470 million in 2022 (2021: EUR 327 million).

Impairment charges

Impairment charges increased by EUR 35 million and recorded a charge of EUR 29 million in 2022 (2021: a release of EUR 6 million), reflecting both model-based increases and stage 3 additions.

Income tax expense

Income tax expense decreased by EUR 2 million to EUR 93 million in 2022 (2021: EUR 95 million).

Loans and advances customers

Loans and advances customers increased by EUR 1.1 billion to EUR 17.0 billion at 31 December 2022 (31 December 2021: EUR 15.9 billion), mainly driven by an increase in residential mortgages and corporate loans.

Due to customers

Due to customers increased by EUR 1.3 billion to EUR 64.6 billion at 31 December 2022 (31 December 2021: EUR 63.3 billion).

Client assets

Total client assets decreased by EUR 11.7 billion to EUR 202.2 billion at 31 December 2022 (31 December 2021: EUR 213.9 billion), mainly driven by the decline in stock markets that led to a lower value for securities client assets.

	As at 31 December	
	2022	2021
	<i>(in billions of euros)</i>	
Opening balance as at 1 January	213.9	189.6
Net new assets	3.6	1.5
Market performance	-15.3	16.9
Divestments/acquisitions.....		6.0
Closing balance at 31 December	202.2	213.9
Breakdown by assets type:		
Cash	64.6	63.3
Securities.....	137.6	150.6
- <i>Of which custody</i>	35.4	37.2
Breakdown by geography:		
The Netherlands (in %)	60%	58%

	As at 31 December	
	2022	2021
	<i>(in billions of euros)</i>	
The rest of Europe (in %)	40%	42%

Net new assets

Net new assets increased by EUR 2.1 billion and totalled EUR 3.6 billion at 31 December 2022 (31 December 2021: EUR 1.5 billion), mainly driven by a securities inflow throughout the year.

Corporate Banking

This expertise-driven client unit delivers tailored financing, capital structuring and transaction banking solutions for medium-sized and large corporate clients and financial institutions. Corporate Banking also offers Entrepreneur & Enterprise as a bank-wide service concept for business and wealthy clients, in close collaboration with Wealth Management. The table below summarises the Corporate Banking segment's results for the years ended 31 December 2022 and 31 December 2021.

Corporate Banking: Selected Financial Information

	Year ended 31 December	
	2022	2021
	<i>(in millions of euros)</i>	
Net interest income	2,112	1,875
Net fee and commission income.....	682	645
Other operating income.....	452	189
Operating income	3,246	2,709
Personnel expenses.....	600	602
Other expenses.....	1,150	1,144
Operating expenses	1,750	1,746
Operating result	1,496	963
Impairment charges on financial instruments	-68	-15
Operating profit/(loss) before taxation	1,564	978
Income tax expense	365	247
Net profit/(loss) for the period	1,199	730

	As at 31 December	
	2022	2021
Loans and advances customers (in billions)	77.7	83.8
<i>Of which Client loans (in billions)⁽¹⁾</i>	64.5	62.5
Due to customers (in billions)	60.6	64.4
Risk-weighted assets (risk exposure amount; in billions).....	73.6	62.4
Number of employees (in FTEs)	3,595	3,857

⁽¹⁾ Gross carrying amount excluding fair value adjustment from hedge accounting.

Net profit/(loss) for the period

Net profit increased by EUR 469 million to EUR 1,199 million in 2022 (2021: EUR 730 million).

Net interest income

Net interest income increased by EUR 237 million to EUR 2,112 million in 2022 (2021: EUR 1,875 million), mainly due to a EUR 289 million increase in Corporate Banking core, reflecting business growth (increased lending volume) and improved deposit margins. This was partially offset by a EUR 52 million decrease in Corporate Banking non-core due to the successful wind-down.

Net fee and commission income

Net fee and commission income recorded an increase of EUR 37 million to EUR 682 million at 31 December 2022 (31 December 2021: EUR 645 million), mainly at Clearing and due to increased market volatility throughout 2022.

Other operating income

Other operating income increased by EUR 263 million to EUR 452 million in 2022 (2021: EUR 189 million), mainly reflecting positive equity stake revaluations, gain on the divestment of the MP Solar stake in the third quarter of 2023, positive trading results at Global Markets (impacted by the significant increase in interest rates and foreign exchange developments throughout 2022) and higher counterparty credit spreads (CVA), own credit spreads (DVA) and funding valuation results (FVA) (EUR 60 million in 2022 versus EUR 46 million in 2021), partly offset by a decrease in the result from private equity investments.

Personnel expenses

Personnel expenses decreased by EUR 2 million to EUR 600 million in 2022 (2021: EUR 602 million). The impact of the new CLA was fully offset by releases on staff-related provisions and a decrease in full-time employees.

Other expenses

Other expenses increased by EUR 6 million to EUR 1,150 million in 2022 (2021: EUR 1,144 million). The decrease was mainly due to an increase in staff-related costs and expenses for external staff.

Operating result

Operating result increased by EUR 533 million to EUR 1,496 million in 2022 (2021: EUR 963 million).

Impairment charges

Impairment charges decreased by EUR 53 million and recorded a net release of EUR 68 million in 2022 (2021: EUR 15 million release), mainly due to stage 3 releases throughout 2022.

Income tax expense

Income tax expense increased by EUR 118 million to EUR 365 million in 2022 (2021: EUR 247 million).

Loans and advances customers

Loans and advances customers decreased by EUR 6.1 billion, totalling EUR 77.7 billion at 31 December 2022 (31 December 2021: EUR 83.8 billion), largely due to a decrease in professional lending (mainly Clearing) and Corporate Banking non-core portfolio following the successful wind-down. This was partially offset by an increase in client loans (mainly corporates).

Due to customers

Due to customers decreased by EUR 3.8 billion to EUR 60.6 billion at 31 December 2022 (31 December 2021: 64.4) as several Clearing clients self-financed their deposit and margin contributions.

RWA

RWA increased by EUR 11.2 billion, totalling EUR 73.6 billion at 31 December 2022 (31 December 2021: EUR 62.4 billion). This increase was a result of a new model risk add-on and migration of specific portfolios from Advanced IRB model to Foundation IRB and Standardized Approach.

Group Functions

Group Functions consists of the following support function departments: Finance, Risk Management, Innovation & Technology, Human Resources, Group Audit, Legal & Corporate Office, Brand Marketing & Communications, Strategy & Innovation and a Sustainability Centre of Excellence. Group Functions is not a client unit, but part of the reconciliation. The majority of Group Functions' costs are allocated to the client units.

The table below summarises the Group Functions results for the years ended 31 December 2022 and 31 December 2021.

Group Functions: Selected financial information

	Year ended 31 December	
	2022	2021
	<i>(in millions of euros)</i>	
Net interest income	-161	198
Net fee and commission income.....	-25	-21
Other operating income.....	-30	455
Operating income.....	-216	632
Personnel expenses.....	1,004	873
Other expenses	-993	-446
Operating expenses	11	427
Operating result.....	-227	205
Impairment charges on financial instruments	5	-3
Operating profit/(loss) before taxation.....	-231	207
Income tax expense	-93	169
Net profit/(loss) for the period	-138	38

	As at 31 December	
	2022	2021
Securities financing – assets (in billions)	13.5	10.5
Loans and advances customers (in billions)	-8.5	2.7
Securities financing – liabilities (in billions).....	9.6	9.5
Due to customers (in billions)	7.0	6.2
Risk-weighted assets (risk exposure amount; in billions).....	4.7	4.4
Number of employees (in FTEs)	9,082	8,528

Net profit/(loss) for the period

Net profit decreased by EUR 100 million to EUR 138 million negative in 2022 (2021: EUR 38 million).

Net interest income

Net interest income decreased by EUR 359 million to EUR 161 million negative in 2022 (2021: EUR 198 million), mainly due to lower treasury results and lower mortgage prepayment penalties.

Net fee and commission income

Net fee and commission income decreased by EUR 4 million to EUR 25 million negative in 2022 (2021: EUR 21 million negative).

Other operating income

Other operating income decreased by EUR 485 million to EUR 30 million negative in 2022 (2021: EUR 455 million). This was mainly due to large incidentals and volatile items in both years.

Personnel expenses

Personnel expenses increased by EUR 131 million to EUR 1,004 million in 2022 (2021: EUR 873 million). This was mainly due to the upscaling of AML activities reflected in the increase in full time employees and the impact of the new CLA.

Other expenses

Other expenses changed by EUR 547 million to EUR 993 million negative in 2022 (2021: EUR 446 million negative). This was due to the AML settlement in 2021 (EUR 480 million), partly offset by additional provisions for AML remediation activities in 2022.

Operating result

Operating result decreased by EUR 438 million to EUR 227 million negative in 2022 (2021: EUR 205 million).

Impairment charges

Impairment charges increased by EUR 8 million and totalled to EUR 5 million in 2022 (2021: EUR 3 million negative).

Income tax expense

Income tax expense decreased by EUR 262 million to EUR 93 million negative in 2022 (2021: EUR 169 million).

Loans and advances customers

Loans and advances customers decreased by EUR 11.2 billion to EUR 8.5 billion negative in 2022 (2021: EUR 2.7 billion). This decrease was attributable to a decrease in fair value adjustments from hedge accounting on residential mortgages, as a result of the sharp increase in long-term interest rates this year.

7.5 Results of operations for the years ended 31 December 2021 and 2020

The below discussion of ABN AMRO's results of operations for the year ended 31 December 2021 as compared to the year ended 31 December 2020 is based on the 2021 Consolidated Annual Financial Statements ABN AMRO Bank N.V. For further information, please see "Summary of Financial Information Policies".

Selected consolidated income statement

The table below summarises ABN AMRO's results of operations for the years ended 31 December 2021 and 31 December 2020.

	Year ended 31 December	
	2021	2020
	<i>(in millions of euros)</i>	
Net interest income	5,210	5,863
Net fee and commission income.....	1,664	1,558
Other operating income	724	494
Operating income	7,597	7,916
Personnel expenses.....	2,324	2,280
Other expenses	3,482	2,976
Operating expenses	5,806	5,256
Operating result	1,791	2,660
Impairment charges on financial instruments	-46	2,303
Operating profit/(loss) before taxation	1,838	356
Income tax expense	604	401
Net profit/(loss) for the period	1,234	-45
<i>Attributable to</i>		
Owners of the parent company	1,231	-45
Non-controlling interests	3	

	Year ended 31 December	
	2021	2020
Net interest margin (NIM) (in bps).....	127	143
Cost/income ratio	76.4%	66.4%
Cost of risk (in bps) ⁽¹⁾	-7	78
Return on average equity ⁽²⁾	5.8%	-0.8%
Dividend per share (in EUR) ⁽³⁾	0.61	-
Earnings per share (in EUR) ⁽⁴⁾	1.21	-0.17

	As at 31 December	
	2021	2020
Client assets ⁽⁵⁾ (in billions)	313.6	289.3
Risk-weighted assets (in billions).....	117.7	110.5
Number of employees (in FTEs)	19,957	19,234
Number of non-employees ⁽⁶⁾ (in FTEs)	6,524	5,621

-
- (1) Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances - customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding the fair value adjustments from hedge accounting.
- (2) Annualised profit for the period excluding coupons attributable to AT1 capital securities and results attributable to non-controlling interests divided by the average equity attributable to the owners of ABN AMRO excluding AT1 capital securities.
- (3) Interim/final dividend per share over the relevant period as declared/proposed by ABN AMRO, subject to approval at the annual general meeting (AGM).
- (4) Profit for the period excluding coupons attributable to AT1 capital securities and results attributable to non-controlling interests divided by the average outstanding and paid-up ordinary shares.
- (5) Client assets consist of assets including investment funds and assets of private individuals and institutions, which are professionally managed with the aim of maximising the investment result. Clients Assets also include cash and securities of clients held on accounts with ABN AMRO.
- (6) A non-employee is a person who is working within and under the responsibility of the reporting entity, reports into the ABN AMRO organisation, is employed by a third party and has been hired for at least one day during the reporting period.

Net profit/(loss) for the period

ABN AMRO's full-year profit for 2021 amounted to EUR 1,234 million, compared with a loss of EUR 45 million in 2020. This was the result of a net release of impairments, combined with strong net fee and commission income and significantly higher equity participation results, partly offset by the AML Settlement (EUR 480 million).

Return on average equity in 2021 was 5.8%, compared with a negative 0.8% in 2020.

Operating income

Operating income decreased by EUR 319 million to EUR 7,597 million in 2021 (2020: EUR 7,916 million). The decrease was mainly attributable to lower net interest income offset in part by higher fee and commission income and other income.

Net interest income

Net interest income decreased by EUR 653 million to EUR 5,210 million, compared to EUR 5,863 million in 2020. Excluding large incidentals, net interest income decreased by EUR 534 million, mainly due to continued pressure on deposit margins in a low interest rate environment and to lower average corporate loan volumes following the wind-down of the CIB non-core portfolio. In order to relieve the pressure on deposit margins, ABN AMRO started charging negative rates of interest on client deposits and lowered the negative rate threshold in phases (deposit threshold Q1 2021: EUR 500,000; Q3 2021: EUR 150,000; Q1 2022: EUR 100,000).

Net fee and commission income

Net fee and commission income increased by EUR 106 million to EUR 1,664 million in 2021 (2020: EUR 1,558 million). This increase was mainly attributable to higher asset management fee income in Private Banking and the strong performance at Clearing and Global Markets in CIB core. The increase was partly offset by a decrease in relation to the wind-down of the CIB non-core portfolio.

Other operating income

Other operating income increased by EUR 230 million to EUR 724 million in 2021 (2020: EUR 494 million). 2021 included a gain of EUR 327 million on the sale and leaseback of ABN AMRO's head office in Amsterdam, while 2020 included a EUR 263 million book gain on the sale of ABN AMRO's office building in Paris. In addition, volatile items were significantly higher in 2021 (gain of EUR 178 million versus a loss of EUR 4 million in 2020). This was partly offset by a EUR 121 million discount to book value recognised on a loan disposal in the CIB non-core portfolio recorded in 2021.

Personnel expenses

Personnel expenses increased by EUR 44 million, to EUR 2,324 million in 2021 (2020: EUR 2,280 million). Excluding large incidentals, personnel expenses increased primarily as a result of an increase in FTEs and overall wage inflation.

Other expenses

Other expenses rose by EUR 506 million to EUR 3,482 million in 2021 (2020: EUR 2,976 million), mainly due to the AML Settlement of EUR 480 million in Q1 2021 and higher regulatory levies in 2021 compared to 2020 (2021: EUR 435 million versus 2020: EUR 368 million). Excluding incidentals (which includes the AML Settlement) and regulatory levies, other expenses increased by around EUR 50 million, largely due to an increase in non-employee FTEs (2021: 6,524 versus 2020: 5,621) who were hired in part to support AML activities.

Operating expenses

Operating expenses increased by EUR 550 million to EUR 5,806 million in 2021 (2020: EUR 5,256 million). The increase was mainly attributable to Other expenses.

Operating result

Operating result decreased by EUR 869 million to EUR 1,791 million in 2021 (2020: EUR 2,660 million) mainly as a result of net interest income and other expense.

Impairment charges on financial instruments

Impairment charges changed by EUR 2,349 million reflecting a net release of EUR 46 million in 2021, as compared to net impairment charges of EUR 2,303 million in 2020. Releases were attributable to a more favourable economic scenario during the year, partly offset by additions from management overlays. The cost of risk amounted to -7bps in 2021 (2020: 78bps).

Income tax expenses

Income tax expenses increased by EUR 203 million to EUR 604 million in 2021 (2020: EUR 401 million). The increase is attributable to higher taxable profit recorded in 2021 compared to the previous year, mainly driven by a significantly lower level of impairment charges and the sale and leaseback of ABN AMRO's head office. The effective tax rate in 2021 was 33%, compared with the standard Dutch rate of 25%. This was primarily the result of the AML Settlement in Q1 2021, which is not tax deductible.

Consolidated Balance Sheet Movements

	As at 31 December	
	2021	2020
	<i>(in millions of euros)</i>	
Assets:		
Cash and balances at central banks ⁽¹⁾	66,865	60,190
Financial assets held for trading.....	1,155	1,315
Derivatives.....	3,785	6,381
Financial investments.....	43,165	47,455
Securities financing.....	16,138	16,725
Loans and advances banks.....	2,801	3,394
Loans and advances customers.....	258,251	252,159
Other.....	6,955	8,005
Total assets.....	399,113	395,623
Liabilities:		
Financial liabilities held for trading.....	687	563
Derivatives.....	4,344	7,391
Securities financing.....	9,494	11,363
Due to banks.....	38,076	36,719
Due to customers.....	251,218	238,570
Issued debt.....	59,688	66,949
Subordinated liabilities.....	7,549	8,069
Other.....	6,059	5,010
Total liabilities.....	377,114	374,634
Equity:		
Equity attributable to owners of the parent company.....	21,994	20,989
	5	
Total equity.....	21,999	20,989
Total liabilities and equity.....	399,113	395,623

	As at 31 December	
	2021	2020
	<i>(in millions of euros)</i>	
Assets:		
Committed credit facilities	54,642	55,207
Guarantees and other commitments.....	7,598	8,981

Total assets

Total assets increased by EUR 3.5 billion, to EUR 399.1 billion at 31 December 2021 (31 December 2020: EUR 395.6 billion). The increase was mainly driven by higher cash and balances at central banks, as well as loans and advances customers (mainly at CIB core and Commercial Banking).

Cash and balances at central banks

Cash and balances at central banks increased by EUR 6.7 billion to EUR 66.9 billion at 31 December 2021 (31 December 2020: EUR 60.2 billion). The increase was largely due to the increase in collateral related to more clearing activities (EUR 4.2 billion) and to the issuance of senior non-preferred bonds in issued debt (EUR 2.6 billion).

Financial assets held for trading

Financial assets held for trading decreased by EUR 0.2 billion to EUR 1.2 billion at 31 December 2021 (31 December 2020: EUR 1.3 billion). The decrease was mainly related to changes in Dutch, German and French government bond positions. These portfolios consist of primary dealership positions of ABN AMRO Bank N.V. in the respective countries and positions for the purpose of client facilitation.

Derivatives - assets

Derivatives decreased by EUR 2.6 billion to EUR 3.8 billion at 31 December 2021 (31 December 2020: EUR 6.4 billion).

Financial investments

Financial investments decreased by EUR 4.3 billion to EUR 43.2 billion at 31 December 2021 (31 December 2020: EUR 47.5 billion). The decrease was mainly attributable to the decreases in Japanese, German and Dutch government and European Stability Mechanism bonds held.

Securities financing - assets

Securities financing decreased by EUR 0.6 billion to EUR 16.1 billion at 31 December 2021 (31 December 2020: EUR 16.7 billion).

Loans and advances banks

Loans and advances banks decreased by EUR 0.6 billion to EUR 2.8 billion at 31 December 2021 (31 December 2020: EUR 3.4 billion). The decrease was mainly attributable to a decrease in interest-bearing deposits.

Loans and advances customers

Loans and advances customers increased by EUR 6.1 billion, to EUR 258.3 billion at 31 December 2021 (31 December 2020: EUR 252.2 billion). This was largely attributable to an increase in loans to professional counterparties, partly offset by a slight decrease in client loans as shown in the table below.

	As at 31 December	
	2021	2020
	<i>(in millions of euros)</i>	
Residential mortgages	146,351	145,672
Consumer loans	10,794	11,232
Corporate loans to clients ⁽¹⁾	77,965	78,587
<i>Of which: Commercial Banking</i>	41,967	39,838

	As at 31 December	
	2021	2020
	<i>(in millions of euros)</i>	
<i>Of which: Corporate & Institutional Banking</i>	28,529	31,560
Total client loans ⁽²⁾	235,110	235,491
Loans to professional counterparties ⁽³⁾	23,605	16,297
Total loans and advances ⁽²⁾	258,715	251,788
Fair value adjustments from hedge accounting.....	1,951	3,838
Less: loan impairment allowance	2,416	3,467
Total loans and advances customers	258,251	252,159

⁽¹⁾ Corporate loans excluding loans to professional counterparties.

⁽²⁾ Excluding fair value adjustments from hedge accounting.

⁽³⁾ Loans to professional counterparties and other loans includes loans and advances to governments, official institutions and financial markets parties.

Other assets

Other assets decreased by EUR 1.0 billion to EUR 7.0 billion at 31 December 2021 (31 December 2020: EUR 8.0 billion).

Total liabilities

Total liabilities increased by EUR 2.5 billion, to EUR 377.1 billion at 31 December 2021 (2020: EUR 374.6 billion). The increase was mainly due to an increase in the amount due to customers, which was partly offset by lower issued debt securities.

Financial liabilities held for trading

Financial liabilities held for trading increased by EUR 0.1 billion to EUR 0.7 billion at 31 December 2021 (31 December 2020: EUR 0.6 billion). The increase was the result of higher short positions in bonds, primarily Dutch, German and French sovereign debt, partly offset by the decrease in other liabilities held for trading.

Derivatives - liabilities

Derivatives decreased by EUR 3.1 billion to EUR 4.3 billion at 31 December 2021 (31 December 2020: EUR 7.4 billion).

Securities financing - liabilities

Securities financing decreased by EUR 1.9 billion to EUR 9.5 billion at 31 December 2021 (31 December 2020: EUR 11.4 billion).

Due to banks

Due to banks increased by EUR 1.4 billion to EUR 38.1 billion at 31 December 2021 (31 December 2020: EUR 36.7 billion). The increase was mainly a result of the participation in the TLTRO III facility, partly offset by matured interbank deposits and periodic current account balances with credit institutions.

Due to customers

Due to customers increased by EUR 12.6 billion, to EUR 251.2 billion at 31 December 2021 (31 December 2020: EUR 238.6 billion). The increase was largely caused by an increase in client deposits (mainly at Commercial Banking and CIB core) following excess liquidity in the market, and in professional deposits (largely at Clearing).

Due to customers

	As at 31 December	
	2021	2020
	<i>(in millions of euros)</i>	
Retail Banking.....	87,284	89,038

	As at 31 December	
	2021	2020
	<i>(in millions of euros)</i>	
Commercial Banking.....	56,331	52,537
Private Banking.....	63,333	61,513
Corporate & Institutional Banking.....	38,088	28,680
Group Functions.....	6,182	6,802
Total due to customers.....	251,218	238,570

Issued debt

Issued debt securities decreased by EUR 7.3 billion to EUR 59.7 billion at 31 December 2021 (31 December 2020: EUR 66.9 billion), reflecting lower long-term and short-term funding and lower amounts of newly issued debt (due to TLTRO III participation). As at 31 December 2021, issued debt included EUR 31.3 billion in covered bonds, EUR 13.2 billion in senior preferred funding, EUR 6.0 billion in senior non-preferred funding and EUR 9.2 billion in commercial paper and certificates of deposit. EUR 6.9 billion in outstanding long-term funding and EUR 9.2 billion in outstanding short-term funding will mature within 12 months.

Subordinated liabilities

Subordinated liabilities decreased by EUR 0.5 billion to EUR 7.5 billion at 31 December 2021 (31 December 2020: EUR 8.1 billion). The decrease was mainly due to the maturity of subordinated loans, partly offset by the issuance of a new instrument.

Other liabilities

Other liabilities increased by EUR 1.1 billion to EUR 6.1 billion at 31 December 2021 (31 December 2020: EUR 5.0 billion). The increase was mainly due to increases in provisions, unsettled securities transactions at ABN AMRO Clearing Bank and lease liabilities.

Total equity

Total equity increased by EUR 1.0 billion to EUR 22.0 billion at 31 December 2021 (2020: EUR 21.0 billion). The increase was primarily due to the inclusion of profit for the period in the total equity line item in 2021 and an increase in accumulated other comprehensive income. ABN AMRO made its final 2019 dividend payment in 2021. No dividends were payable for 2020.

Results of Operations by Segment for the Years Ended 31 December 2021 and 2020

The sections below summarise ABN AMRO's results of operations by segment for the years ended 31 December 2021 and 31 December 2020.

Retail Banking

Retail Banking provides a full range of transparent banking products and high-quality services to individuals with investable assets up to EUR 500,000. Retail Banking offers its products and services under the ABN AMRO brand, and specific products and services under other labels. Retail Banking clients have access to a seamless omni-channel distribution network providing a top-class digital and remote offering, and supported by a balanced network of 112 branches and ABN AMRO's Contact Centre.

The table below summarises the Retail Banking segment's results for the years ended 31 December 2021 and 31 December 2020.

Retail Banking: Selected Financial Information

	Year ended 31 December	
	2021	2020
	<i>(in millions of euros)</i>	
Net interest income.....	2,032	2,638
Net fee and commission income.....	312	303

	Year ended 31 December	
	2021	2020
	<i>(in millions of euros)</i>	
Other operating income	128	68
Operating income	2,471	3,009
Personnel expenses.....	416	408
Other expenses	1,747	1,606
Operating expenses	2,163	2,015
Operating result	309	994
Impairment charges on financial instruments	-41	77
Operating profit/(loss) before taxation	350	917
Income tax expense	85	229
Net profit/(loss) for the period	265	687

	Year ended 31 December	
	2021	2020
Cost/income ratio	87.5%	67.0%
Cost of risk (in bps) ⁽¹⁾	-3	4

- (1) Cost of risk is equal to annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding the fair value adjustments from hedge accounting.

	As at 31 December	
	2021	2020
Loans and advances customers (in billions)	147.7	148.5
<i>Of which Client loans (in billions)⁽¹⁾</i>	148.0	148.8
Due to customers (in billions)	87.3	89.0
Risk-weighted assets (risk exposure amount; in billions)	34.2	26.7
FTEs	4,518	4,525
Total client assets (in billions)	99.7	99.7
<i>Of which Cash (in billions)</i>	87.3	89.0
<i>Of which Securities (in billions)</i>	12.4	10.6

- (1) Gross carrying amount excluding fair value adjustment from hedge accounting.

Net profit/(loss) for the period

Retail Banking's net profit decreased by 61% to EUR 265 million in 2021 (2020: EUR 687 million). This was driven by lower operating income and higher operating expenses in 2021 compared to 2020.

Net interest income

Net interest income declined by EUR 606 million to EUR 2,032 million in 2021 (2020: EUR 2,638 million). The decrease was mainly due to provisioning for revolving consumer credit, totalling EUR 265 million in 2021, and continued pressure on deposit margins. Furthermore, interest income on residential mortgages declined, reflecting lower volumes and margins compared to 2020, resulting from fierce market competition and higher mortgage redemptions with relatively high margins.

Net fee and commission income

Net fee and commission income increased by EUR 9 million to EUR 312 million (2020: EUR 303 million). The increase was mainly attributable to an increase in credit card usage (ICS) compared to 2020 and a corresponding increase in payment service fee income.

Other operating income

Other operating income increased by EUR 60 million to EUR 128 million in 2021 (2020: EUR 68 million), reflecting a positive revaluation result on ABN AMRO's ventures portfolio, including a EUR 41 million gain as a result of the revaluation of Tink.

Personnel expenses

Personnel expenses increased by EUR 8 million to EUR 416 million in 2021 (2020: EUR 408 million), mainly as a result of the continued expansion of ABN AMRO's AML activities.

Other expenses

Other expenses increased by EUR 141 million to EUR 1,747 million in 2021 (2020: EUR 1,606 million). This increase was mainly attributable to the upscaling of AML activities, as well as to higher regulatory levies, which amounted to EUR 224 million in 2021 (2020: EUR 192 million). Other expenses in 2021 also included a charge for the cost of handling the compensation scheme for revolving consumer credit (EUR 50 million), which relates to the compensation of clients who paid too much interest on their revolving consumer credit in the past and ABN AMRO's decision (where possible) to proactively recalculate variable interest charged from 1 January 2001.

Operating expenses

Operating expenses increased by EUR 148 million to EUR 2,163 million in 2021 (2020: EUR 2,015 million). The increase in operating expenses was driven by other expenses.

Operating result

The operating result decreased by EUR 685 million to EUR 309 million in 2021 (2020: EUR 994 million). The decrease was largely attributable to lower net interest income in 2021.

Impairment charges

Impairment charges recorded a release of EUR 41 million in 2021 (2020: EUR 77 million charge), mainly in stages 1 and 2. This was primarily the result of the improvement in the economic outlook during the year as the Dutch economy recovered more quickly than had been expected at the end of 2020. This, together with an improved risk perception and decreasing volumes in ABN AMRO's mortgages portfolio, resulted in a release of impairments in 2021.

Income tax expense

Income tax expense decreased by EUR 144 million to EUR 85 million in 2021 (2020: EUR 229 million).

Loans and advances customers

Loans and advances customers decreased by EUR 0.8 billion to EUR 147.7 billion (2020: EUR 148.5 billion), largely driven by lower consumer loans in 2021.

Due to customers

Due to customers decreased by EUR 1.7 billion to EUR 87.3 billion at 31 December 2021 (31 December 2020: EUR 89.0 billion).

Total client assets

Total client assets remained stable at EUR 99.7 billion in 2021.

Commercial Banking

Commercial Banking is an established business partner of the Dutch SME and corporate sector, offering asset-based finance in the Netherlands, Germany, France and the UK. Commercial Banking serves over 350,000 clients with annual turnover of up to EUR 250 million in a variety of sectors. Commercial Banking offers a broad range of products and services, based on in-depth client and sector knowledge combined with innovative value propositions and offerings, and a digital approach to convenience banking products.

The table below summarises the Commercial Banking segment's results for the years ended 31 December 2021 and 31 December 2020.

Commercial Banking: Selected Financial Information

	Year ended 31 December	
	2021	2020
	<i>(in millions of euros)</i>	
Net interest income	1,442	1,471
Net fee and commission income.....	256	256
Other operating income	33	26
Operating income	1,730	1,753
Personnel expenses.....	257	243
Other expenses	877	796
Operating expenses	1,134	1,039
Operating result	596	714
Impairment charges on financial instruments	41	542
Operating profit/(loss) before taxation	555	173
Income tax expense	150	49
Net profit/(loss) for the period	406	124

	Year ended 31 December	
	2021	2020
Cost/income ratio (in %)	65.6%	59.3%
Cost of risk (in bps) ⁽¹⁾	3	128

	As at 31 December	
	2021	2020
Loans and advances customers (in billions)	41.4	39.2
<i>Of which Client loans (in billions)⁽²⁾.....</i>	<i>42.6</i>	<i>40.4</i>
Due to customers (in billions)	56.3	52.5
Risk weighted assets (risk exposure amount; in billions)	29.5	29.2
FTEs.....	2,331	2,197

⁽¹⁾ Cost of risk is equal to annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding the fair value adjustments from hedge accounting.

⁽²⁾ Gross carrying amount excluding fair value adjustment from hedge accounting.

Net profit/(loss) for the period

Commercial Banking's net profit increased by 227% to EUR 406 million in 2021 (2020: EUR 124 million). The increase was mainly driven by lower impairment charges.

Net interest income

Net interest income decreased by EUR 29 million to EUR 1,442 million in 2021 (2020: EUR 1,471 million), mainly as a result of continued pressure on deposit margins and lower average corporate loan volumes.

Net fee and commission income

Net fee and commission income remained flat at EUR 256 million in 2021 (2020: EUR 256 million), as a result of economic recovery lagging due to COVID-19, which particularly affected payment services.

Other operating income

Other operating income increased by EUR 7 million to EUR 33 million in 2021 (2020: EUR 26 million).

Personnel expenses

Personnel expenses increased by EUR 14 million, to EUR 257 million in 2021 (2020: EUR 243 million). The increase was primarily the result of increased numbers of FTEs for regulatory projects and strategic initiatives and, to a lesser extent, wage inflation.

Other expenses

Other expenses increased by EUR 81 million to EUR 877 million in 2021 (2020: EUR 796 million), mainly due to the expansion of AML activities and higher regulatory levies.

Operating result

The operating result decreased by EUR 118 million to EUR 596 million in 2021 (2020: EUR 714 million). The decrease was primarily the result of higher operating expenses in 2021.

Impairment charges

Impairment charges decreased by EUR 501 million to EUR 41 million in 2021 (2020: EUR 542 million), mainly due to model-based releases attributable to a more favourable macroeconomic outlook during the year, partly offset by lower individual additions in 2021. In 2020, high individual stage 3 impairments were recorded mainly in the food, shipping, and industrial goods & services sectors.

Income tax expense

Income tax expense increased by EUR 101 million to EUR 150 million in 2021 (2020: EUR 49 million).

Total client loans

Total client loans increased by EUR 2.2 billion to EUR 42.6 billion at 31 December 2021 (31 December 2020: EUR 40.4 billion).

Loans and advances customers

Loans and advances customers increased by EUR 2.2 billion to EUR 41.4 billion in 2021 (2020: EUR 39.2 billion), reflecting growth in client loans in the real estate sector.

Due to customers

Due to customers increased by EUR 3.8 billion to EUR 56.3 billion at 31 December 2021 (31 December 2020: EUR 52.5 billion).

Private Banking

Private Banking is a leading eurozone private bank in terms of client assets, with dedicated professionals who have in-depth knowledge of their clients. ABN AMRO's international expertise, local knowledge and over 350 years of experience in private banking form the basis of ABN AMRO's long-standing client relationships. ABN AMRO brings personal service, digital convenience and a proactive mentality to a full range of banking and wealth management products and services for high net worth clients in the Netherlands with more than EUR 500,000 in investable assets, or more than EUR 1 million outside the Netherlands, and for ultra-high net worth clients with more than EUR 25 million in investable assets. Private Banking is present in the Netherlands, France, Germany and Belgium.

The table below summarises the Private Banking segment's results for the years ended 31 December 2021 and 31 December 2020.

Private Banking: Selected Financial Information

	Year ended 31 December	
	2021	2020
	<i>(in millions of euros)</i>	
Net interest income	634	637
Net fee and commission income.....	602	502
Other operating income	39	286
Operating income	1,275	1,425
Personnel expenses.....	391	371
Other expenses	562	574
Operating expenses	953	945
Operating result	322	480

	Year ended 31 December	
	2021	2020
	<i>(in millions of euros)</i>	
Impairment charges on financial instruments	-6	26
Operating profit/(loss) before taxation	328	454
Income tax expense	94	151
Net profit/(loss) for the period	234	303

	Year ended 31 December	
	2021	2020
Cost/income ratio (in %)	74.8%	66.3%
Cost of risk (in bps) ⁽¹⁾	-5	19
Gross margin on client assets (in bps)	63	79

	As at 31 December	
	2021	2020
Loans and advances customers (in billions)	15.9	14.6
<i>Of which Client loans (in billions)</i> ⁽²⁾	16.0	14.7
Due to customers (in billions)	63.3	61.5
Risk weighted assets (risk exposure amount, in billions)	10.6	10.3
FTEs	2,886	2,848

⁽¹⁾ Cost of risk is equal to annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding the fair value adjustments from hedge accounting.

⁽²⁾ Gross carrying amount excluding fair value adjustment from hedge accounting.

Net profit/(loss) for the period

Private Banking's profit for 2021 decreased by EUR 69 million to EUR 234 million (2020: EUR 303 million), mainly driven by a decrease in other operating income.

Net interest income

Net interest income decreased by EUR 3 million to EUR 634 million in 2021 (2020: EUR 637 million), because of continued pressure on deposit margins.

Net fee and commission income

Net fee and commission income increased by EUR 100 million to EUR 602 million in 2021 (2020: EUR 502 million). This was mainly attributable to higher asset management fee income resulting from a higher client asset base and favourable stock market developments.

Other operating income

Other operating income decreased by EUR 247 million to EUR 39 million in 2021 (2020: EUR 286 million), largely because 2020 included a EUR 263 million book gain on the sale of the Neuflyze OBC office building in Paris.

Personnel expenses

Personnel expenses increased by EUR 20 million to EUR 391 million in 2021 (2020: EUR 371 million). This was mainly due to an increase in FTEs for strategic initiatives.

Other expenses

Other expenses decreased by EUR 12 million to EUR 562 million in 2021 (2020: EUR 574 million). Expenses in 2020 included a one-off impairment charge of EUR 34 million. Excluding incidentals, other expenses increased due to the upscaling of AML activities.

Operating result

The operating result decreased by 33% to EUR 322 million in 2021 (2020: EUR 480 million).

Impairment charges

Impairment charges totalled EUR 6 million negative in 2021, compared with a charge of EUR 26 million in 2020. This mainly reflected model-based provision releases, as a result of the improved macroeconomic outlook in 2021.

Income tax expense

Income tax expense decreased by EUR 57 million to EUR 94 million in 2021 (2020: EUR 151 million).

Loans and advances customers

Loans and advances customers increased by EUR 1.3 billion to EUR 15.9 billion at 31 December 2021 (31 December 2020: EUR 14.6 billion).

Due to customers

Due to customers increased by EUR 1.8 billion to EUR 63.3 billion at 31 December 2021 (31 December 2020: EUR 61.5 billion).

Client assets

Client assets increased by EUR 24.3 billion to EUR 213.9 billion at 31 December 2021 (31 December 2020: EUR 189.6 billion). The increase was largely due to improvement of market performance and an inflow of net new assets. The table below shows client assets for the 2020-2021 period.

	As at 31 December	
	2021	2020
	<i>(in billions of euros)</i>	
Opening balance as at 1 January	189.6	195.2
Net new assets.....	1.5	-8.6
Market performance.....	16.9	-3.0
Divestments/acquisitions.....	6.0	6.0
Closing balance at 31 December	213.9	189.6
Breakdown by type:		
Cash.....	63.3	61.7
Securities.....	150.6	127.9
- <i>Of which Custody</i>	37.2	28.1
Breakdown by geography:		
The Netherlands (in %).....	58%	58%
The rest of Europe (in %).....	42%	42%

Net new assets

Net new assets increased by EUR 10.1 billion to EUR 1.5 billion at 31 December 2021 (31 December 2020: EUR 8.6 billion negative), mainly driven by a significant cash inflow throughout the year.

Corporate & Institutional Banking

CIB has a large client base. It has a strong market position in the Netherlands, serving clients with revenues in excess of EUR 250 million. CIB has been leveraging on the strong domestic franchise in selected Northwest European countries, where it serves clients in a variety of sectors. It is sector-led and offers a wide range of services and products in global markets and lending. CIB has specialised activities in Clearing.

The table below summarises the Corporate & Institutional Banking segment's results for the years ended 31 December 2021 and 31 December 2020.

Corporate & Institutional Banking: Selected Financial Information

	Year ended 31 December	
	2021	2020
	<i>(in millions of euros)</i>	
Net interest income.....	903	1,123
Net fee and commission income.....	515	529

	Year ended 31 December	
	2021	2020
	<i>(in millions of euros)</i>	
Other operating income	163	32
Operating income	1,581	1,683
Personnel expenses.....	430	484
Other expenses	693	727
Operating expenses	1,123	1,211
Operating result	458	472
Impairment charges on financial instruments	-37	1,659
Operating profit/(loss) before taxation	495	-1,187
Income tax expense	117	5
Net profit/(loss) for the period	378	-1,192

	Year ended 31 December	
	2021	2020
Cost/income ratio (in %)	71.0%	71.9%
Cost of risk (in bps) ⁽¹⁾	-27	250

	As at 31 December	
	2021	2020
Loans and advances customers (in billions)	50.6	45.3
<i>Of which Client loans (in billions)</i> ⁽²⁾	28.6	31.6
Due to customers (in billions)	38.1	28.7
Risk weighted assets (risk exposure amount; in billions)	39.5	39.5
FTEs.....	2,298	2,480

⁽¹⁾ Cost of risk is equal to annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding the fair value adjustments from hedge accounting.

⁽²⁾ Gross carrying amount excluding fair value adjustment from hedge accounting.

Net profit/(loss) for the period

Corporate & Institutional Banking's net profit increased by EUR 1,570 million to EUR 378 million in 2021 (2020: EUR 1,192 million negative). This was mainly due to a decrease in impairment charges on financial instruments.

Net interest income

Net interest income decreased by EUR 220 million to EUR 903 million in 2021 (2020: EUR 1,123 million). The decrease was mainly driven by lower average corporate loan volumes (mostly due to the CIB non-core wind-down).

Net fee and commission income

Net fee and commission income decreased by EUR 14 million to EUR 515 million in 2021 (2020: EUR 529 million). The decrease was mainly due to an increase in net fee and commission income in Clearing and Global Markets, offset by reduced activities as a result of the CIB non-core wind-down.

Other operating income

Other operating income increased by EUR 131 million to EUR 163 million in 2021 (2020: EUR 32 million). The increase was mainly due to a favourable result from private equity participations and higher fair value market adjustments on financial investments held at fair value through profit or loss, partly offset by the discount on the book value of loan disposals as part of the CIB non-core wind-down.

Personnel expenses

Personnel expenses decreased by EUR 54 million to EUR 430 million in 2021 (2020: EUR 484 million). Expenses in 2020 included a one-off provision for the CIB non-core wind-down and discretionary variable remuneration. This was partly offset by higher expenses at CIB core due to an increase in FTEs and overall wage inflation.

Other expenses

Other expenses decreased by EUR 34 million to EUR 693 million in 2021 (2020: EUR 727 million). The decrease was mainly due to a provision related to the CIB non-core wind-down in 2020, partly offset by higher costs related to AML activities and strategic initiatives, as well as higher regulatory levies.

Operating result

Operating result decreased by EUR 14 million to EUR 458 million in 2021 (2020: EUR 472 million).

Impairment charges

Impairment charges decreased by EUR 1,696 million to EUR 37 million negative in 2021 (2020: EUR 1,659 million). In 2020, three exceptional client files contributed EUR 629 million, while the other impairment charges were attributable to additions from individual files in the oil and gas and energy-offshore sectors. The CIB wind-down continued in 2021, resulting in a large outflow of exposure and the release of associated impairments in ABN AMRO's CIB non-core portfolio and a more favourable economic scenario compared to the fourth quarter of 2020 led to releases in impairments. In addition, inflows from individual files were limited in 2021, but additions on existing files were recorded in the oil and gas and energy-offshore sectors.

Income tax expense

Income tax expense increased by EUR 112 million to EUR 117 million in 2021 (2020: EUR 5 million).

Total client loans

Total client loans decreased by 3.0 billion to EUR 28.6 billion at 31 December 2021 (31 December 2020: EUR 31.6 billion), mainly reflecting the wind-down of the CIB non-core portfolio, offset by an increase in client loans in 2021.

Due to customers

Due to customers increased by EUR 9.4 billion to EUR 38.1 billion at 31 December 2021 (31 December 2020: EUR 28.7 billion). This was due to higher client deposits resulting from excess liquidity as an effect of Covid-19, and to higher professional deposits.

Group Functions

Group Functions consists of the following main departments: Innovation & Technology, Finance, Risk Management, HR & Transformation, Group Audit, Strategy & Sustainability, Legal, Corporate Office and Brand, Marketing & Communications. The majority of Group Functions' costs are allocated to the respective business segments. The results of Group Functions include those of ALM and Treasury and the securities financing activities.

The table below summarises the Group Functions results for the years ended 31 December 2021 and 31 December 2020.

Group Functions: Selected financial information

	Year ended 31 December	
	2021	2020
	<i>(in millions of euros)</i>	
Net interest income	198	-6
Net fee and commission income.....	-21	-31
Other operating income.....	362	82
Operating income	539	45
Personnel expenses.....	831	774
Other expenses.....	-398	-727
Operating expenses	433	47
Operating result	106	-1
Impairment charges on financial instruments	-3	-1
Operating profit/(loss) before taxation	109	-1

	Year ended 31 December	
	2021	2020
	<i>(in millions of euros)</i>	
Income tax expense	158	-33
Net profit/(loss) for the period	-49	33

	As at 31 December	
	2021	2020
Securities financing – assets (in billions)	10.5	11.4
Loans and advances customers (in billions) ⁽¹⁾	2.7	4.7
Securities financing – liabilities (in billions)	9.5	11.0
Due to customers (in billions)	6.2	6.8
Risk weighted assets (risk exposure amount; in billions)	4.0	4.7
FTEs	7,922	7,184

⁽¹⁾ During 2020, ABN AMRO changed its presentation of instant payment facilities from corporate loans at amortised cost to cash and balances at central banks. Comparative figures have been adjusted accordingly (EUR 0.5 billion).

Net profit/(loss) for the period

Net profit decreased by EUR 82 million to EUR 49 million negative in 2021 (2020: EUR 33 million), mainly due to an increase in Income tax expense.

Net interest income

Net interest income increased by EUR 204 million to EUR 198 million in 2021 (2020: EUR 6 million negative). The increase was due to an additional TLTRO discount and higher mortgage prepayment penalties.

Net fee and commission income

Net fee and commission income increased by EUR 10 million to EUR 21 million negative in 2021 (2020: EUR 31 million negative), largely owing to lower fees paid to securities financing.

Other operating income

Other operating income increased by EUR 280 million to EUR 362 million in 2021 (2020: EUR 82 million). This was mainly largely owing to the gain on the sale and leaseback of the Amsterdam head office in 2021, partly offset by lower hedging accounting-related income and the repayment of German dividend withholding tax credits and accrued interest.

Personnel expenses

Personnel expenses increased by EUR 57 million to EUR 831 million in 2021 (2020: EUR 774 million), mainly due to the upscaling of AML activities and, to a lesser extent, wage inflation.

Operating result

Operating result increased by EUR 107 million to EUR 106 million in 2021 (2020: EUR 1 million negative).

Impairment charges

Impairment charges increased by EUR 2 million and totalled to EUR 3 million negative in 2021, compared with EUR 1 million negative in 2020.

Income tax expense

Income tax expense increased by EUR 191 million to EUR 158 million in 2021 (2020: EUR 33 million negative).

7.6 Other references

Liquidity and Funding

Please see "*Risk, funding & capital – Funding & liquidity*" in the Integrated Annual Report 2022, which has been incorporated by reference herein.

Please also see "*Risk, funding & capital management – Funding & liquidity risk management*" and "*Risk, funding & capital review – Liquidity risk & Funding*" in the Annual Report 2021, which has been incorporated by reference herein.

Risk Management and Review

Please see "*Risk, funding & capital – Risk management*" in the Integrated Annual Report 2022, which has been incorporated by reference herein.

Please also see "*Risk, funding & capital management*" and "*Risk, funding & capital review*" in the Annual Report 2021, which has been incorporated by reference herein.

Capital Management

Please see "*Risk, funding & capital – Capital*" in the Integrated Annual Report 2022, which has been incorporated by reference herein.

Please also see "*Risk, funding & capital management – Capital management*" and "*Risk, funding & capital review – Capital*" in the Annual Report 2021, which has been incorporated by reference herein.

Critical Accounting Policies

Please see "*Notes to the Consolidated Annual Financial Statements – 1 Accounting policies*" in the Integrated Annual Report 2022, which has been incorporated by reference herein.

Please also see "*Notes to the Consolidated Annual Financial Statements – 1 Accounting policies*" in the Annual Report 2021, which has been incorporated by reference herein.

Related Party Transactions

Please see "*Notes to the Consolidated Annual Financial Statements – 38 Related parties*" in the Integrated Annual Report 2022, which has been incorporated by reference herein.

Please also see "*Notes to the Consolidated Annual Financial Statements – 37 Related parties*" in the Annual Report 2021, which has been incorporated by reference herein.

8. SELECTED STATISTICAL INFORMATION

The reported results for the years ended as at 31 December 2022 included in this section were extracted from the 2022 Consolidated Annual Financial Statements. The reported results for the years ended 31 December 2021 and 2020 included in this section were extracted from the 2021 Consolidated Annual Financial Statements. For more information see "Summary of Financial Information Policies."

Certain information in this section derived from ABN AMRO's Integrated Annual Report 2022 has been audited and is part of the 2022 Consolidated Annual Financial Statements.

Set out below are certain statistical disclosures, including ABN AMRO's financial assets and liabilities held for trading, details of its loan portfolio and a maturity analysis of its assets and liabilities. This Registration Document has been prepared in accordance with the rules and regulations of Euronext Amsterdam and the AFM, which has disclosure requirements that are different from those of the United States. In particular, the information below is not presented in the form or with the content that would be required in an offering registered pursuant to the Securities Act.

Figures below are presented as at and for the years ended 31 December 2022, 2021 and 2020. Certain figures in this section may not add up exactly due to rounding. In addition, certain percentages in this section have been calculated using rounded figures.

8.1 Financial Assets and Liabilities Held for Trading

Please see "Notes to the Consolidated Annual Financial Statements – 14 Financial assets and liabilities held for trading" in the Integrated Annual Report 2022, which has been incorporated by reference herein.

8.2 Loan Portfolio

Outstanding loans to banks and customers

Please see "Notes to the Consolidated Annual Financial Statements – 20 Loans and advances banks and 21 Loans and advances customers" in the Integrated Annual Report 2022, which has been incorporated by reference herein.

Outstanding loans by industry sector

Please see "Risk, funding & capital – Credit risk review – Industry concentration" in the Integrated Annual Report 2022, which has been incorporated by reference herein.

8.3 Credit quality of retail loans and other financial assets

Please see "Risk, funding & capital – Credit risk review – Credit quality by exposure class" in the Integrated Annual Report 2022, which has been incorporated by reference herein.

8.4 Past due credit exposure

Please see "Risk, funding & capital – Credit risk review – Past due exposures" in the Integrated Annual Report 2022, which has been incorporated by reference herein.

8.5 Loan impairment exposure

Total impairment charges (releases) on loans and advances increased to EUR 171 million for the year ended 31 December 2022 compared with EUR -20 million for the year ended 31 December 2021.

The table below sets out loan impairments charges and allowances for the year ended 31 December 2022:

	Banks	Residential mortgages	Consumer loans	Corporate loans	Other loans	Total loans and advances	Off-balance
	<i>(in million of euros)</i>						
Balance at 1 January 2022.....	10	82	276	2,053	4	2,426	153
Transfer to stage 1.....	-	-3	-9	-21	-	-33	-2
Transfer to stage 2.....	-	4	-	11	-	15	4
Transfer to stage 3.....	-	17	37	98	-	152	-

	Banks	Residential mortgages	Consumer loans	Corporate loans	Other loans	Total loans and advances	Off-balance
<i>(in million of euros)</i>							
Remeasurements ¹	-3	9	27	-64	-	-30	-120
Changes in risk parameters.....	-	57	12	61	-	130	2
Originated or purchased	-	7	4	44	-	55	12
Matured or repaid.....	-	-18	-12	-88	-	-119	-7
Impairment charges (releases) on loans and advances	-2	73	59	41	1	171	-110
Write-offs.....	-	-3	-65	-556	-	-623	-
Unwind discount/uneared interest accrued.....	-	1	5	25	-	32	-
Foreign exchange and other movements	-	-	3	27	-	29	8
Balance as at 31 December 2022	8	153	277	1,590	5	2,034	51
Impairment charges (releases) on loans and advances	-2	73	59	41	1	171	-110
Recoveries and other charges (releases)	-	-17	-45	-42	-	-103	82
Total impairment charges for the period	-2	56	14	-1	1	67	-28

⁽¹⁾ Remeasurements represents the current year change of expected credit loss allowances mainly attributable to changes in volumes such as partial repayments and changes in the credit quality of existing loans remaining in their stage.

Total impairment charges (releases) on loans and advances decreased to EUR -20 million for the year ended 31 December 2021 compared with EUR 2,161 million for the year ended 31 December 2020.

The table below sets out loan impairments charges and allowances for the year ended 31 December 2021:

	Banks	Residential mortgages	Consumer loans	Corporate loans	Other loans	Total loans and advances	Off-balance
<i>(in million of euros)</i>							
Balance at 1 January 2021	6	116	294	3,053	3	3,472	48
Transfer to stage 1.....	-	-6	-7	-21	-	-33	-1
Transfer to stage 2.....	-	-	-3	31	-	27	7
Transfer to stage 3.....	-	21	51	107	-	179	-
Remeasurements ¹	10	5	39	425	1	480	101
Changes in models	-2	-1	1	-15	-	-17	-
Changes in risk parameters.....	-4	-31	-12	-54	-	-101	-
Originated or purchased	-	4	5	46	-	55	6
Matured or repaid.....	-	-19	-27	-563	-	-610	-18
Impairment charges (releases) on loans and advances	5	-28	47	-44	1	-20	94
Write-offs.....	-	-6	-69	-1,042	-	-1,117	-3
Unwind discount/uneared interest accrued.....	-	1	4	16	-	22	-
Foreign exchange and other movements	-	-1	-	69	-	69	14
Balance as at 31 December 2021	10	82	276	2,053	4	2,426	153
Impairment charges (releases) on loans and advances	5	-28	47	-44	1	-20	94
Recoveries and other charges (releases)	-	-18	-44	-79	-	-141	22
Total impairment charges for the period	5	-46	3	-124	1	-161	116

⁽¹⁾ Remeasurements represents the current year change of expected credit loss allowances mainly attributable to changes in volumes such as partial repayments and changes in the credit quality of existing loans remaining in their stage.

Total impairment charges (releases) on loans and advances increased to EUR 2,161 million for the year ended 31 December 2020.

The tables below set out loan impairments charges and allowances for the year ended 31 December 2020:

	Banks	Residential mortgages	Consumer loans	Corporate loans	Other loans	Total loans and advances	Off-balance
<i>(in million of euros)</i>							
Balance at 1 January 2020	5	140	298	1,982	6	2,431	16
Transfer to stage 1.....	-	-7	-4	-12	-	-23	1
Transfer to stage 2.....	-	4	5	110	-	119	6
Transfer to stage 3.....	-	27	91	518	-	636	179
Remeasurements ⁽¹⁾	-2	-49	42	1,922	-3	1,910	5
Changes in models.....	-	6	-	-	-	6	-
Changes in risk parameters.....	2	28	3	132	-	165	11
Originated or purchased.....	-	4	4	31	-	40	20
Matured or repaid.....	-1	-13	-11	-668	-	-692	-9
Impairment charges (releases) on loans and advances	-1	1	130	2,033	-3	2,161	214
Write-offs.....	-	-16	-143	-1,035	-	-1,194	-
Unwind discount/uneared interest accrued.....	-	2	-1	31	-	31	-
Foreign exchange and other movements.....	1	-10	11	42	-	43	-182
Balance as at 31 December 2020	6	116	294	3,053	3	3,472	48
Impairment charges (releases) on loans and advances.....	-1	1	130	2,033	-3	2,161	214
Credit-related modifications.....	-	-	-	36	-	36	-
Recoveries and other charges (releases).....	-	-19	-38	-33	-	-90	-17
Total impairment charges for the period	-1	-18	92	2,035	-3	2,106	197

(1) Remeasurements represents the current year change of expected credit loss allowances mainly attributable to changes in volumes such as partial repayments and changes in the credit quality of existing loans remaining in their stage.

8.6 Coverage and Stage Ratios

The following tables show the coverage and stage ratios for 2022, 2021 and 2020. These ratios provide an overview of what percent of the portfolio at risk is covered by actual allowances for credit losses and the distribution of the IFRS 9 credit risk stages in relation to the entirety of the respective portfolio at risk.

	As at 31 December 2022			
	Gross carrying amount ⁽³⁾	Allowances for credit losses ⁽⁴⁾	Coverage ratio	Stage ratio
<i>(in millions of euros)</i>				
<i>Stage 1</i>				
Loans and advances banks	2,953	8	0.3%	98.8%
Residential mortgages.....	140,450	21	0.0%	93.2%
Consumer loans.....	9,121	30	0.3%	89.1%
Corporate loans ⁽¹⁾	69,103	256	0.4%	79.7%
Other loans and advances customers ⁽¹⁾	7,457	-	0.0%	99.5%
Total loans and advances customers⁽¹⁾	226,130	308	0.1%	88.6%
<i>Stage 2</i>				
Loans and advances banks	37	0	0.0%	1.2%
Residential mortgages.....	9,169	57	0.6%	6.1%
Consumer loans.....	749	36	4.8%	7.3%
Corporate loans ⁽¹⁾	13,963	301	2.2%	16.1%
Other loans and advances customers ⁽¹⁾	36	2	5.6%	0.5%
Total loans and advances customers⁽¹⁾	23,917	396	1.7%	9.4%
<i>Stage 3 and POCI</i>				
Loans and advances banks	1,143	75	6.6%	0.8%
Residential mortgages.....	1,143	75	6.6%	0.8%
Consumer loans.....	363	211	58.2%	3.5%
Corporate loans ⁽¹⁾	3,666	1,033	28.2%	4.2%
Other loans and advances customers ⁽¹⁾	4	3	83.9%	0.0%
Total loans and advances customers⁽¹⁾	5,175	1,322	25.6%	2.0%
<i>Total of stages 1, 2, 3 and POCI</i>				
Loans and advances banks	2,990	8	0.3%	0.8%
Residential mortgages.....	150,762	153	0.1%	0.1%
Consumer loans.....	10,232	277	2.7%	0.3%
Corporate loans ⁽¹⁾	86,731	1,590	1.8%	0.2%
Other loans and advances customers ⁽¹⁾	7,497	5	0.1%	0.0%
Total loans and advances customers⁽¹⁾	255,222	2,026	0.8%	0.8%
Total loans and advances⁽¹⁾⁽²⁾	258,212	2,034	0.8%	0.8%

- (1) Excluding loans at fair value through P&L.
(2) ABN AMRO changed its presentation compared to previous reports. The table now shows total loans and advances to be more consistent with other risk disclosures in the Integrated Annual Report 2022.
(3) Gross carrying amount excludes fair value adjustments from hedge accounting.
(4) The allowances for credit losses excludes allowances for financial investments held at FVOCI (31 December 2022: EUR 1 million).

	As at 31 December 2021			
	Gross carrying amount ⁽³⁾	Allowances for credit losses ⁽⁴⁾	Coverage ratio	Stage ratio
	<i>(in millions of euros)</i>			
<i>Stage 1</i>				
Loans and advances banks	2,808	10	0.4%	99.9%
Residential mortgages	137,063	8	0.0%	93.7%
Consumer loans	9,348	23	0.2%	86.6%
Corporate loans ⁽¹⁾	69,364	130	0.2%	80.2%
Other loans and advances customers ⁽¹⁾	14,954		0.0%	99.6%
Total loans and advances customers⁽¹⁾	230,729	162	0.1%	89.2%
<i>Stage 2</i>				
Loans and advances banks	3		0.5%	0.1%
Residential mortgages	8,025	22	0.3%	5.5%
Consumer loans	1,037	45	4.4%	9.6%
Corporate loans ⁽¹⁾	12,075	291	2.4%	14.0%
Other loans and advances customers ⁽¹⁾	44	1	3.2%	0.3%
Total loans and advances customers⁽¹⁾	21,181	360	1.7%	8.2%
<i>Stage 3 and POCI</i>				
Loans and advances banks				
Residential mortgages	1,264	52	4.1%	0.9%
Consumer loans	409	208	50.8%	3.8%
Corporate loans ⁽¹⁾	5,019	1,632	32.5%	5.8%
Other loans and advances customers ⁽¹⁾	9	3	32.0%	0.1%
Total loans and advances customers⁽¹⁾	6,701	1,894	28.3%	2.6%
<i>Total of stages 1, 2, 3 and POCI</i>				
Loans and advances banks	2,811	10	0.4%	
Residential mortgages	146,351	82	0.1%	
Consumer loans	10,794	276	2.6%	
Corporate loans ⁽¹⁾	86,458	2,053	2.4%	
Other loans and advances customers ⁽¹⁾	15,007	4	0.0%	
Total loans and advances customers⁽¹⁾	258,611	2,416	0.9%	
Total loans and advances⁽¹⁾⁽²⁾	261,421	2,426	0.9%	

- (1) Excluding loans at fair value through P&L.
(2) ABN AMRO changed its presentation compared to previous reports. The table now shows total loans and advances to be more consistent with other risk disclosures in the Integrated Annual Report 2021.
(3) Gross carrying amount excludes fair value adjustments from hedge accounting.
(4) The allowances for credit losses excludes allowances for financial investments held at FVOCI (31 December 2021: EUR 1 million).

	As at 31 December 2020			
	Gross carrying amount	Allowances for credit losses ⁽²⁾	Coverage ratio	Stage ratio
	<i>(in millions of euros)</i>			
<i>Stage 1</i>				
Loans and advances banks	3,399	6	0.2%	100.0%
Residential mortgages	135,407	14	0.0%	93.0%
Consumer loans	9,707	38	0.4%	86.4%
Corporate loans	64,517	243	0.4%	74.4%
Other loans and advances customers	7,675		0.0%	99.3%
Total loans and advances customers	217,305	296	0.1%	86.4%
<i>Stage 2</i>				
Loans and advances banks				
Residential mortgages	9,141	44	0.5%	6.3%
Consumer loans	1,068	41	3.8%	9.5%
Corporate loans	15,356	316	2.1%	17.7%
Other loans and advances customers	37		0.3%	0.5%
Total loans and advances customers	25,602	400	1.6%	10.2%
<i>Stage 3</i>				
Loans and advances banks				
Residential mortgages	1,124	58	5.2%	0.8%
Consumer loans	456	215	47.2%	4.1%
Corporate loans	6,873	2,494	36.3%	7.9%
Other loans and advances customers	21	3	14.6%	0.3%
Total loans and advances customers	8,474	2,771	32.7%	3.4%

As at 31 December 2020				
	Gross carrying amount	Allowances for credit losses ⁽²⁾	Coverage ratio	Stage ratio
	(in millions of euros)			
<i>Total of stages 1, 2 and 3</i>				
Loans and advances banks	3,399	6	0.2%	
Residential mortgages	145,672	116	0.1%	
Consumer loans	11,232	294	2.6%	
Corporate loans	86,745	3,053	3.5%	
Other loans and advances customers	7,733	3	0.0%	
Total loans and advances customers⁽¹⁾	251,381	3,467	1.4%	
Loans at fair value through P&L	406			
Fair value adjustments from hedge accounting on loans and advances customers	3,838			
Total loans and advances banks	3,399	6	0.2%	
Total loans and advances customers	255,626	3,467	1.4%	
Total loans and advances	259,025	3,472	1.3%	
Other balance sheet items	140,083	13	0.0%	
Total on-balance sheet	399,108	3,485	0.9%	
Irrevocable loan commitments and financial guarantee contracts	58,653	48	0.1%	
Other off-balance sheet items	5,535			
Total on- and off-balance sheet	463,296	3,533	0.8%	

⁽¹⁾ Excluding loans at fair value through P&L and fair value adjustments from hedge accounting.

⁽²⁾ The allowances for credit losses excludes allowances for financial investments held at FVOCI (31 December 2020: EUR 1 million).

8.7 Due to Banks and Customers

Please see "Notes to the Consolidated Annual Financial Statements – 27 Due to banks and 28 Due to customers" in the Integrated Annual Report 2022, which has been incorporated by reference herein.

8.8 Maturity Analysis of Assets and Liabilities

The following tables show the financial assets and liabilities for 2022, 2021 and 2020 arranged by the earliest possible contractual maturity. This picture is not consistent with how ABN AMRO views and manages liquidity, as it does not take expected client behaviour and other factors into account. Most notably, this table does not reflect prepayment of mortgages and other loans and the fact that the behavioural maturities of client deposits are not in line with the contractual maturities. Financial investments relate to the liquidity buffer and can be liquidated quickly despite the longer contractual maturity.

As at 31 December 2022											
	On demand	Trading derivatives	Up to one month	Between one and three months	Between three and six months	Between six and twelve months	Between one and two years	Between two and five years	More than five years	No maturity	Total
	(in millions of euros)										
<i>Assets</i>											
Cash and balances at central banks	60,865	-	-	-	-	-	-	-	-	-	60,865
Financial assets held for trading	28	-	32	90	49	64	56	251	337	-	907
Derivatives	1	4,831	6	-	-	36	14	32	292	-	5,212
Financial investments	594	-	1,204	1,232	3,024	3,903	5,367	12,437	10,647	626	39,034
Securities financing	548	-	15,293	3,146	1,045	-	-	-	-	-	20,032
Loans and advances banks	1,296	-	864	-	-	-	78	31	714	-	2,982
Loans and advances customers	17,949	-	7,258	5,659	3,694	8,851	14,580	32,588	153,348	-	243,927
	2,688	-	2,107	1,242	94	30	-	386	73	-	6,622
Other assets											
Total assets	83,968	4,831	26,765	11,369	7,907	12,884	20,096	45,725	165,411	626	379,581
<i>Liabilities</i>											
Financial liabilities held for trading ..	2	-	92	1	55	7	23	209	252	-	641
Derivatives	1	3,671	24	1	2	19	22	63	346	-	4,148
Securities financing	419	-	9,034	200	-	-	-	-	-	-	9,652
Due to banks	1,568	-	912	235	11,327	130	3,070	115	152	-	17,509
Due to customers	223,772	-	15,755	3,747	1,657	1,670	422	1,484	6,507	-	255,015
Issued debt	-	-	3,665	10,261	1,052	4,074	3,585	9,913	23,709	-	56,259
- of which senior secured	-	-	-	20	154	1,779	1,816	2,618	17,393	-	23,781
- of which senior unsecured	-	-	26	81	-	2,270	1,768	7,295	6,315	-	17,755
- of which other	-	-	3,639	10,160	898	25	-	-	-	-	14,723
Subordinated liabilities	-	-	1,027	1,401	103	-	-	3,731	1,028	-	7,290
	2,810	-	2,620	430	27	18	330	18	-	-	6,253
Other liabilities											
Total liabilities	228,572	3,671	33,129	16,276	14,224	5,920	7,451	15,532	31,993	-	356,767

As at 31 December 2022

	On demand	Trading derivatives	Up to one month	Between one and three months	Between three and six months	Between six and twelve months	Between one and two years	Between two and five years	More than five years	No maturity	Total
<i>(in millions of euros)</i>											
Total equity	-	-	-	-	-	-	-	-	-	22,814	22,814
Total liabilities and equity	228,572	3,671	33,129	16,276	14,224	5,920	7,451	15,532	31,993	22,814	379,581
<i>Off-balance sheet liabilities</i>											
Committed credit facilities.....	53,873	-	-	-	-	-	-	-	-	-	53,873
Guarantees and other commitments..	7,651	-	-	-	-	-	-	-	-	-	7,651
Total off-balance sheet liabilities ...	61,524	-	-	-	-	-	-	-	-	-	61,524

As at 31 December 2021

	On demand	Trading derivatives	Up to one month	Between one and three months	Between three and six months	Between six and twelve months	Between one and two years	Between two and five years	More than five years	No maturity	Total
<i>(in millions of euros)</i>											
<i>Assets</i>											
Cash and balances at central banks...	66,865	-	-	-	-	-	-	-	-	-	66,865
Financial assets held for trading	7	-	12	81	69	315	50	238	381	-	1,155
Derivatives.....	-	2,975	-	-	9	12	22	64	703	-	3,785
Financial investments.....	1,353	-	975	1,989	1,185	5,066	6,083	14,131	11,801	580	43,165
Securities financing.....	716	-	13,142	2,192	88	-	-	-	-	-	16,138
Loans and advances banks	912	-	334	-	375	258	124	72	726	-	2,801
Loans and advances customers.....	26,837	-	6,483	5,732	2,630	8,360	14,282	32,176	161,750	-	258,251
	4,772	-	1,699	353	113	16	1	-	-	-	6,955
Other assets.....	-	-	-	-	-	-	-	-	-	-	-
Total assets	101,462	2,975	22,647	10,348	4,471	14,028	20,561	46,681	175,362	580	399,113
<i>Liabilities</i>											
Financial liabilities held for trading..	-	-	-	24	1	13	61	178	409	-	687
Derivatives.....	6	3,545	9	36	8	29	73	168	470	-	4,344
Securities financing.....	498	-	8,394	603	-	-	-	-	-	-	9,494
Due to banks	1,049	-	1,403	107	312	14	31,889	2,910	392	-	38,076
Due to customers	232,973	-	8,594	1,562	503	253	311	1,300	5,723	-	251,218
Issued debt.....	51	-	6,081	5,410	2,187	2,550	4,420	11,684	27,306	-	59,688
- of which senior secured	54	-	1,045	105	-	1,633	1,963	4,126	22,413	-	31,338
- of which senior unsecured.....	-3	-	25	1,985	1,433	826	2,456	7,557	4,893	-	19,172
- of which other.....	-	-	5,011	3,320	753	92	-	-	-	-	9,177
Subordinated liabilities.....	-	-	-	-	537	1,045	112	2,308	3,547	-	7,549
	2,730	-	2,462	386	92	20	334	21	14	-	6,059
Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	237,306	3,545	26,943	8,128	3,638	3,925	37,199	18,568	37,862	-	377,114
Total equity	-	-	-	-	-	-	-	-	-	21,999	21,999
Total liabilities and equity	237,306	3,545	26,943	8,128	3,638	3,925	37,199	18,568	37,862	21,999	399,113
<i>Off-balance sheet liabilities</i>											
Committed credit facilities.....	54,642	-	-	-	-	-	-	-	-	-	54,642
Guarantees and other commitments..	7,598	-	-	-	-	-	-	-	-	-	7,598
Total off-balance sheet liabilities ...	62,240	-	-	-	-	-	-	-	-	-	62,240

As at 31 December 2020

	On demand	Trading derivatives	Up to one month	Between one and three months	Between three and six months	Between six and twelve months	Between one and two years	Between two and five years	More than five years	No maturity	Total
<i>(in millions of euros)</i>											
<i>Assets</i>											
Cash and balances at central banks...	60,190	-	-	-	-	-	-	-	-	-	60,190
Financial assets held for trading	5	-	8	37	254	308	73	264	367	-	1,315
Derivatives.....	7	5,040	94	8	69	12	8	82	1,060	-	6,381
Financial investments.....	1,936	-	1,361	2,933	3,308	1,997	5,054	15,561	14,451	855	47,455
Securities financing.....	1,212	-	12,173	2,985	354	-	-	-	-	-	16,725
Loans and advances banks	1,462	-	72	74	379	5	237	7	1,158	-	3,394
Loans and advances customers.....	20,400	-	7,260	5,394	3,291	6,568	13,197	33,679	162,369	-	252,159
Other assets.....	4,375	-	2,321	409	450	23	73	273	80	-	8,005
Total assets	89,588	5,040	23,290	11,840	8,105	8,913	18,641	49,865	179,486	855	395,623
<i>Liabilities</i>											
Financial liabilities held for trading..	-	-	4	24	1	1	26	153	355	-	563
Derivatives.....	23	6,159	36	29	48	67	86	245	698	-	7,391
Securities financing.....	829	-	9,164	1,370	-	-	-	-	-	-	11,363
Due to banks	1,364	-	1,876	338	225	67	317	32,101	432	-	36,719
Due to customers	212,421	-	15,887	1,142	468	611	808	1,124	6,109	-	238,570
Issued debt.....	-	-	7,124	3,862	4,145	4,147	7,246	13,317	27,108	-	66,949
- of which senior secured	-	-	32	168	2,295	115	2,858	4,666	24,309	-	34,443
- of which senior unsecured.....	-	-	2,778	333	255	4,020	4,388	8,651	2,798	-	23,223
- of which other.....	-	-	4,314	3,361	1,595	12	-	-	-	-	9,283
Subordinated liabilities.....	-	-	-	-	1,561	-	1,570	3,796	1,143	-	8,069

As at 31 December 2020

	On demand	Trading derivatives	Up to one month	Between one and three months	Between three and six months	Between six and twelve months	Between one and two years	Between two and five years	More than five years	No maturity	Total
<i>(in millions of euros)</i>											
Other liabilities	2,654	-	1,135	418	92	14	569	21	107	-	5,010
Total liabilities	217,290	6,159	35,226	7,182	6,541	4,908	10,622	50,756	35,951	-	374,634
Total equity	-	-	-	-	-	-	-	-	-	20,989	20,989
Total liabilities and equity	217,290	6,159	35,226	7,182	6,541	4,908	10,622	50,756	35,951	20,989	395,623
<i>Off-balance sheet liabilities</i>											
Committed credit facilities	55,207	-	-	-	-	-	-	-	-	-	55,207
Guarantees	1,890	-	-	-	-	-	-	-	-	-	1,890
Irrevocable facilities	5,535	-	-	-	-	-	-	-	-	-	5,535
Recourse risks arising from discounted bills	1,556	-	-	-	-	-	-	-	-	-	1,556
Total off-balance sheet liabilities ...	64,188	-	-	-	-	-	-	-	-	-	64,188

The next set of tables provide a maturity analysis of the earliest contractual undiscounted cash flows for financial assets and liabilities. Financial assets and liabilities held for trading are recorded within on demand at fair value. ABN AMRO believes this best represents the short-term nature and the cash flows of these activities. The contractual maturity of the instruments may however extend over significantly longer periods.

Maturity based on contractual undiscounted cash flows for the year ending 31 December 2022:

As at 31 December 2022

	On demand	Trading derivatives	Up to one month	Between one and three months	Between three and six months	Between six and twelve months	Between one and two years	Between two and five years	More than five years	No maturity	Total
<i>(in millions of euros)</i>											
Assets											
Cash and balances at central banks	60,865	-	-	-	-	-	-	-	-	-	60,865
Financial assets held for trading	28	-	32	91	51	68	64	262	347	-	944
Derivatives	1	4,831	28	84	210	404	670	1,434	1,663	-	9,325
Financial investments	594	-	1,224	1,309	3,203	4,197	5,812	13,001	11,127	626	41,092
Securities financing	548	-	15,305	3,155	1,049	-	-	-	-	-	20,056
Loans and receivables banks	1,296	-	868	9	22	41	150	191	877	-	3,453
Loans and receivables customers	17,949	-	7,492	6,558	5,879	12,829	21,534	46,385	166,989	-	285,614
Other assets	2,688	-	2,108	1,242	95	31	2	388	74	-	6,627
Total undiscounted assets	83,968	4,831	27,057	12,448	10,508	17,571	28,231	61,660	181,077	626	427,978
<i>Of which: Gross settled derivatives not held for trading:</i>											
Contractual amounts receivable	-	-	17	42	31	87	142	411	282	-	1,012
Contractual amounts payable	-	-	10	17	34	66	127	354	230	-	837
Total undiscounted gross settled derivatives not held for trading ...	-	-	7	25	-3	21	15	57	52	-	175
Net settled derivatives not held for trading	-	-	52	160	80	392	940	2,529	4,247	-	8,401
Liabilities											
Financial liabilities held for trading	2	-	92	1	57	11	29	219	261	-	674
Derivatives	1	3,671	60	135	337	633	1,120	2,292	2,596	-	10,844
Securities financing	419	-	9,038	200	-	-	-	-	-	-	9,657
Due to banks	1,568	-	911	230	11,320	125	3,068	113	151	-	17,488
Due to customers	223,772	-	15,757	3,752	1,666	1,684	446	1,531	6,553	-	255,161
Issued debt	-	-	3,707	10,407	1,358	4,603	4,474	11,468	25,183	-	61,198
Subordinated liabilities	-	-	1,041	1,449	200	181	343	4,007	1,202	-	8,424
Other liabilities	2,810	-	2,616	427	23	11	329	17	-	-	6,234
Total liabilities	228,572	3,671	33,223	16,602	14,961	7,249	9,809	19,647	35,946	-	369,681
<i>Of which: Gross settled derivatives not held for trading:</i>											
Contractual amounts receivable	-	-	677	247	53	82	29	7	-	-	1,096
Contractual amounts payable	-	-	165	133	69	110	64	16	-	-	558
Total undiscounted gross settled derivatives not held for trading ...	-	-	-512	-114	16	28	36	9	-	-	-537
Net settled derivatives not held for trading	-	-	54	120	273	480	271	213	809	-	2,222
Net liquidity gap	-144,604	1,161	-6,165	-4,154	-4,453	10,321	18,422	42,013	145,131	626	58,297
<i>Off-balance sheet liabilities:</i>											
Committed credit facilities	53,873	-	-	-	-	-	-	-	-	-	53,873
Guarantees and other commitments	7,651	-	-	-	-	-	-	-	-	-	7,651
Total off-balance sheet liabilities	61,524	-	-	-	-	-	-	-	-	-	61,524

Maturity based on contractual undiscounted cash flows for the year ending 31 December 2021:

As at 31 December 2021											
	On demand	Trading derivatives	Up to one month	Between one and three months	Between three and six months	Between six and twelve months	Between one and two years	Between two and five years	More than five years	No maturity	Total
(in millions of euros)											
Assets											
Cash and balances at central banks	66,865	-	-	-	-	-	-	-	-	-	66,865
Financial assets held for trading	7	-	13	83	72	320	57	249	391	-	1,191
Derivatives	-	2,975	64	258	649	1,207	2,221	4,825	5,376	-	17,575
Financial investments	1,353	-	995	2,066	1,367	5,370	6,540	14,706	12,288	580	45,266
Securities financing	716	-	13,145	2,193	88	-	-	-	-	-	16,142
Loans and receivables banks	912	-	330	-13	347	220	63	-57	595	-	2,397
Loans and receivables customers	26,837	-	6,726	6,670	4,915	12,542	21,631	46,892	176,333	-	302,544
Other assets	4,772	-	1,700	353	113	16	1	-	-	-	6,955
Total undiscounted assets	101,462	2,975	22,972	11,610	7,552	19,675	30,513	66,614	194,984	580	458,936
<i>Of which: Gross settled derivatives not held for trading:</i>											
Contractual amounts receivable	-	-	113	36	7	2	2	6	6	-	172
Contractual amounts payable	-	-	45	5	6	9	8	9	13	-	95
Total undiscounted gross settled derivatives not held for trading	-	-	68	31	2	-8	-6	-3	-7	-	77
Net settled derivatives not held for trading	-	-	201	4	53	69	202	384	1,088	-	2,002
Liabilities											
Financial liabilities held for trading	-	-	1	25	3	18	69	192	422	-	731
Derivatives	6	3,545	50	200	401	750	1,297	2,382	2,607	-	11,238
Securities financing	498	-	8,394	603	-	-	-	-	-	-	9,494
Due to banks	1,049	-	1,395	76	236	-130	31,850	2,894	385	-	37,754
Due to customers	232,973	-	8,595	1,563	506	260	322	1,323	5,746	-	251,288
Issued debt	51	-	6,116	5,535	2,469	3,051	5,267	13,157	28,704	-	64,350
Subordinated liabilities	-	-	16	64	692	1,295	561	3,011	4,188	-	9,827
Other liabilities	2,730	-	2,459	384	89	15	333	20	13	-	6,042
Total liabilities	237,306	3,545	27,027	8,451	4,396	5,259	39,698	22,977	42,066	-	390,725
<i>Of which: Gross settled derivatives not held for trading:</i>											
Contractual amounts receivable	-	-	45	13	10	20	37	96	116	-	339
Contractual amounts payable	-	-	14	5	18	39	35	42	50	-	203
Total undiscounted gross settled derivatives not held for trading	-	-	-32	-8	8	19	-2	-54	-66	-	-135
Net settled derivatives not held for trading	-	-	55	131	151	321	601	1,474	1,998	-	4,732
Net liquidity gap	-135,844	-569	-4,055	3,159	3,156	14,416	-9,186	43,637	152,918	580	68,211
<i>Off-balance sheet liabilities:</i>											
Committed credit facilities	54,642	-	-	-	-	-	-	-	-	-	54,642
Guarantees and other commitments	7,598	-	-	-	-	-	-	-	-	-	7,598
Total off-balance sheet liabilities	62,240	-	-	-	-	-	-	-	-	-	62,240

Maturity based on contractual undiscounted cash flows for the year ending 31 December 2020:

As at 31 December 2020											
	On demand	Trading derivatives	Up to one month	Between one and three months	Between three and six months	Between six and twelve months	Between one and two years	Between two and five years	More than five years	No maturity	Total
(in millions of euros)											
Assets											
Cash and balances at central banks	60,190	-	-	-	-	-	-	-	-	-	60,190
Financial assets held for trading	5	-	8	39	77	314	262	276	378	-	1,358
Derivatives	7	5,040	163	264	688	1,147	2,140	4,758	5,671	-	19,879
Financial investments	1,936	-	1,385	3,023	5,255	2,339	3,889	16,341	15,129	855	50,151
Securities financing	1,212	-	12,177	2,987	1	2	354	-	-	-	16,734
Loans and advances banks	1,462	-	71	71	228	-10	357	-44	1,107	-	3,241
Loans and advances customers	20,639	-	7,521	6,398	15,586	10,855	11,232	49,537	177,823	-	299,592
Other assets	4,375	-	2,322	410	75	27	453	276	81	-	8,020
Total undiscounted assets	89,827	5,040	23,647	13,191	21,910	14,674	18,688	71,144	200,190	855	459,165
<i>Of which: Gross settled derivatives not held for trading:</i>											
Contractual amounts receivable	-	-	3	5	11	8	13	20	6	-	66
Contractual amounts payable	-	-	54	11	36	55	80	59	14	-	308
Total undiscounted gross settled derivatives not held for trading	-	-	-51	-6	-25	-47	-67	-38	-8	-	-242
Net settled derivatives not held for trading	-	-	212	22	221	85	376	726	2,208	-	3,850

As at 31 December 2020

	On demand	Trading derivatives	Up to one month	Between one and three months	Between three and six months	Between six and twelve months	Between one and two years	Between two and five years	More than five years	No maturity	Total
<i>(in millions of euros)</i>											
Liabilities											
Financial liabilities held for trading.....	-	-	4	25	28	5	7	164	365	-	598
Derivatives	23	6,159	100	276	668	1,077	1,848	3,525	3,865	-	17,541
Securities financing	829	-	9,165	1,370	-	-	-	-	-	-	11,364
Due to banks.....	1,364	-	1,874	331	300	34	165	32,076	430	-	36,573
Due to customers.....	212,421	-	15,888	1,144	812	617	479	1,146	6,130	-	238,637
Issued debt.....	-	-	7,142	4,022	7,601	4,734	5,140	14,991	28,708	-	72,339
Subordinated liabilities	-	-	15	62	1,708	235	1,905	4,078	1,328	-	9,332
Other liabilities	2,654	-	1,136	419	571	15	93	23	109	-	5,019
Total liabilities	217,290	6,159	35,324	7,647	11,687	6,718	9,638	56,004	40,936	-	391,403
<i>Of which: Gross settled derivatives not held for trading:</i>											
Contractual amounts receivable.....	-	-	186	8	4	5	5	6	-	-	214
Contractual amounts payable	-	-	1	2	2	5	3	3	-	-	15
Total undiscounted gross settled derivatives not held for trading	-	-	-185	-6	-1	-1	-2	-4	-	-	-199
Net settled derivatives not held for trading.....	-	-	69	131	164	336	645	1,591	2,544	-	5,480
Net liquidity gap	-127,463	-1,119	-11,677	5,544	10,223	7,956	9,050	15,140	159,253	855	67,762
<i>Off-balance sheet liabilities:</i>											
Committed credit facilities	55,207	-	-	-	-	-	-	-	-	-	55,207
Guarantees	1,890	-	-	-	-	-	-	-	-	-	1,890
Irrevocable facilities.....	5,535	-	-	-	-	-	-	-	-	-	5,535
Recourse risks arising from discounted bills	1,556	-	-	-	-	-	-	-	-	-	1,556
Total off-balance sheet liabilities	64,188	-	-	-	-	-	-	-	-	-	64,188

9. GENERAL INFORMATION

Corporate information

ABN AMRO Bank N.V. was incorporated on 9 April 2009. ABN AMRO Bank N.V. is a public limited liability company incorporated under the laws of The Netherlands and has its statutory seat in Amsterdam, The Netherlands and its registered office at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands. ABN AMRO Bank N.V. is registered with the Trade Register of the Chamber of Commerce under number 34334259. ABN AMRO Bank N.V. is a bank organised under Dutch law. The telephone number of the Issuer is +31(0)900 0024 and its website is <https://www.abnamro.com/en/index.html>.

The Issuer accepts responsibility for the information contained in this Registration Document and declares that, to the best of its knowledge, the information contained in this Registration Document is in accordance with the facts and the Registration Document makes no omission likely to affect its import.

Shareholder and change of control

On 29 June 2019 the Group Legal Merger between ABN AMRO Bank and ABN AMRO Group became effective. As a result, all shares in ABN AMRO Group have become shares in ABN AMRO Bank and each depository receipt subsequently represents one share in ABN AMRO Bank.

On the date of this Registration Document, NLFI holds a stake of 56.3% in ABN AMRO Bank N.V., of which 49.9% is directly held via ordinary shares and 6.4% is indirectly held via depository receipts issued by STAK AAB. As such NLFI holds a total voting interest of 56.3% in ABN AMRO Bank N.V. NLFI has waived, in its capacity of holder of depository receipts issued by STAK AAB only, for as long as NLFI holds the depository receipts, any meeting and voting rights attached to the depository receipts other than the right to vote on the underlying shares of the depository receipts held by NLFI in the shareholders meeting of ABN AMRO Bank N.V. in accordance with the general terms of administration (administratievoorwaarden) of STAK AAB. Only STAK AAB's depository receipts are issued with the cooperation of ABN AMRO Bank N.V. and traded on Euronext Amsterdam. See "*The Issuer—1.7.2 Control*".

Documents available

As long as this Registration Document is valid as described in Article 12 of the Prospectus Regulation, copies of the following documents will, when published, be available, free of charge, (i) from the registered office of the Issuer and (ii) on the website of the Issuer at <https://www.abnamro.com/ir>:

- (i) an English translation of the most recent Articles of Association of the Issuer (as the same may be updated from time to time) and the deed of incorporation (*akte van oprichting*);
- (ii) copies of the documents listed under "*Documents Incorporated by Reference*";
- (iii) the most recently available audited financial statements of the Issuer and the most recently available unaudited interim financial statements of the Issuer;
- (iv) a copy of this Registration Document and any supplements thereto; and
- (v) any securities note relating to securities to be issued by the Issuer under a Base Prospectus (being a prospectus consisting of separate documents within the meaning of article 10 of the Prospectus Regulation) that includes this Registration Document and any supplement thereto.

For the avoidance of doubt, unless specifically incorporated by reference into this Registration Document, information contained on any website does not form part of this Registration Document and has not been scrutinised or approved by the AFM.

Information sourced from a third party

All information presented in this Registration Document sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from such information, no facts have been omitted which would render the information inaccurate or misleading.

Issuer ratings

Credit rating agencies periodically review the creditworthiness and publish ratings which assess the level of risk attached to debt instruments. Solicited credit ratings on ABN AMRO Bank N.V. (or their legal predecessors) are presented in the table below.

<u>Corporate rating</u>	<u>S&P</u>	<u>Moody's</u>	<u>Fitch</u>
Long term credit rating	A	A1	A
Outlook long term credit rating	Stable	Stable	Stable
Short term credit rating	A-1	P-1	F-1

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Significant or material change

Up to the date of this Registration Document, there has been no (i) material adverse change in the Issuer's prospects since 31 December 2022 or (ii) significant change in the financial performance or position of the Issuer and its subsidiaries since 31 March 2023.

Independent Auditor

The consolidated annual financial statements of the Issuer for the financial years ended 31 December 2021 and 31 December 2022, incorporated by reference in this Registration Document, have been audited by Ernst & Young Accountants LLP, independent auditors, as stated in their reports appearing herein. The individual auditors of EY are members of the Dutch Professional Association of Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

Legal and arbitration proceedings

ABN AMRO is involved in a number of governmental, legal and arbitration proceedings in the ordinary course of its business in a number of jurisdictions, including those set out in "*The Issuer—1. ABN AMRO Bank N.V.—1.4 Legal and arbitration proceedings*". Save as set out above, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which ABN AMRO or the Issuer is aware) during the 12 months preceding the date of this Registration Document which may have, or have had in the recent past, significant effects on the financial position or profitability of ABN AMRO, the Issuer and/or its subsidiaries.

The Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is BFXS5XCH7N0Y05NIXW11.

Competent authority

This Registration Document has been approved by AFM as the competent authority in the Issuer's home Member State pursuant to the Prospectus Regulation. The AFM has only approved this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.

Validity

This Registration Document is valid for use as a constituent part of a prospectus for one year from the date hereof. The expiry of the validity of this Registration Document shall not affect the validity of a prospectus of which it is a constituent part. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Registration Document in the event of significant new factors, material mistakes or material inaccuracies after the end of its 12-month validity period.

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