investor & analyst presentation

Q3 2024 results

Investor Relations, 13 November 2024

ABN·AMRO

Key messages Q3 2024, continued strong results with 690m net profit

- **Strong quarterly results**: Net profit of 690m and a 11.6% return on equity, driven by improved net interest income, strong fee income and net impairment releases
- **Continued mortgage portfolio growth:** Supported by an increase in new clients, mortgage book grew by 1.6bn
- **Improved net interest income**: Benefitted from better Treasury result driven by favourable interest rate environment
- **Fee and commission income increased**: Growth of 6% year-to-date compared with the same period last year, driven by good performance in all client units
- **Costs remain under control**: Increase in costs anticipated due to start of new collective labour agreement and upscaling of resources
- **Solid credit quality**: 29m in net impairment releases, reflecting a low cost of risk
- **Strong capital position**: Basel III CET1 ratio of 14.1% and Basel IV CET1 ratio of around 14% [1)]
- Assessment of capital position and potential room for a share buyback postponed to Q2 2025

1) Q3 capital ratios in this presentation are on a pro-forma basis including 50% of net profit following new prudential expectations by the ECB

Good progress on strategy execution

Customer experience

A personal bank in the digital age, for the resourceful and ambitious

- Cooperation between neobroker BUX, PrimaryBid and Euronext, enabling clients to participate in IPOs and other regulated fundraises
- Awarded by independent financial advisors for leading role in active client management and product offering in mortgages

Sustainability

Distinctive expertise in supporting clients' transition to sustainability

- Financing of construction of 2 large-scale biomethane plants in line with aim of government to increase innovative private financing for climate and energy transition
- Investment of Sustainable impact fund in Blume Equity, a female founded and managed climate-tech growth investor

Future proof bank

Enhance client service, compliance and efficiency

- Introduction of Call Check: a new feature for clients to check whether an incoming call is from ABN AMRO and not a scammer
- New GenAI use cases in production, over 10,000 employees make active use of this

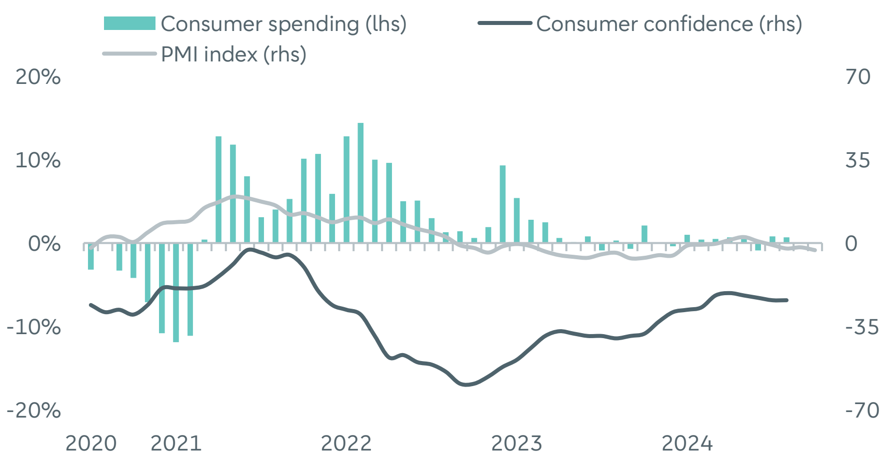
Our purpose - Banking for better for generations to come

Dutch economy remains resilient, house price increase continues [1)]

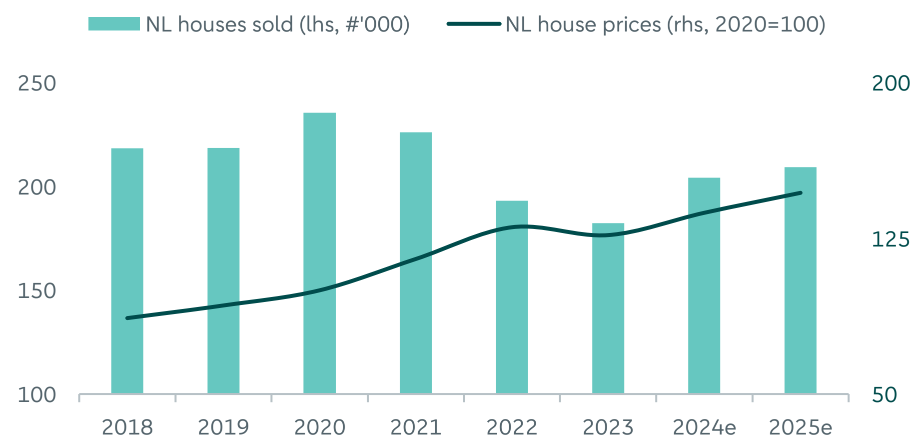
		2023	2024e	2025e	2026e
Netherlands	GDP (% yoy)	0.1%	0.6%	1.3%	1.4%
	Inflation (indexed % yoy)	4.1%	3.1%	2.8%	2.2%
	Unemployment rate (%)	3.5%	3.7%	3.9%	4.0%
Eurozone	GDP (% yoy)	0.5%	0.7%	1.1%	1.5%
	Inflation (indexed % yoy)	5.5%	2.4%	2.1%	1.9%
	Unemployment rate (%)	6.7%	6.5%	6.8%	6.5%

- Moderate growth in the Netherlands in H1 expected to be followed by some growth for remainder of the year
- Consumer spending resilient; consumer confidence is below long-term average
- Slow pick-up of household spending expected as inflation has dropped further
- Higher wages, falling mortgage rates and structural shortage of houses driving up house prices and number of transactions also on the rise, however supply is responding slowly

Spending positive, PMI and confidence decreasing [2)]



Trend of house price increases continues [1)]

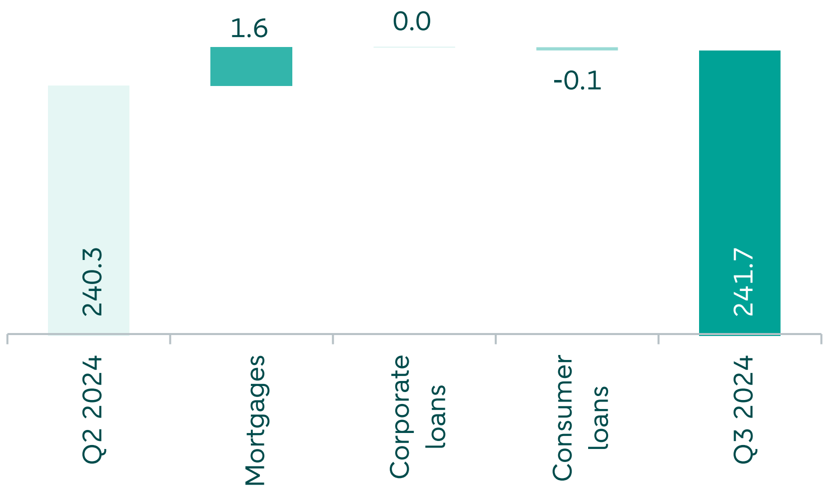


1) Group Economics forecasts of October 2024; house price estimates +8.5% for 2024 and +7% for 2025, transaction estimates +12% for 2024 and +2.5% for 2025
2) Statistics Netherlands (CBS); Cons. spending % change yoy, consumer confidence seasonally adjusted (eop), PMI is Nevi NL Manufacturing PMI (eop) expansion >0 and contraction <0

Strong growth in mortgages continued, client deposits slightly up

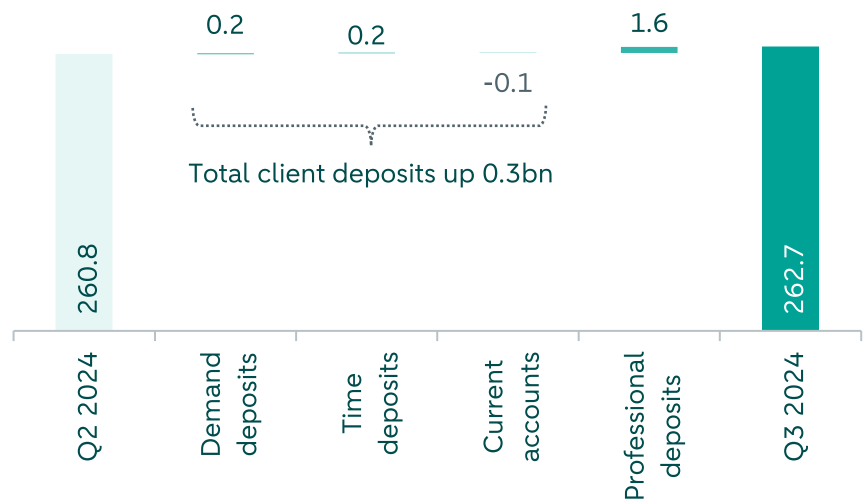
Continued growth in mortgages

EUR bn



Total deposits increased

EUR bn

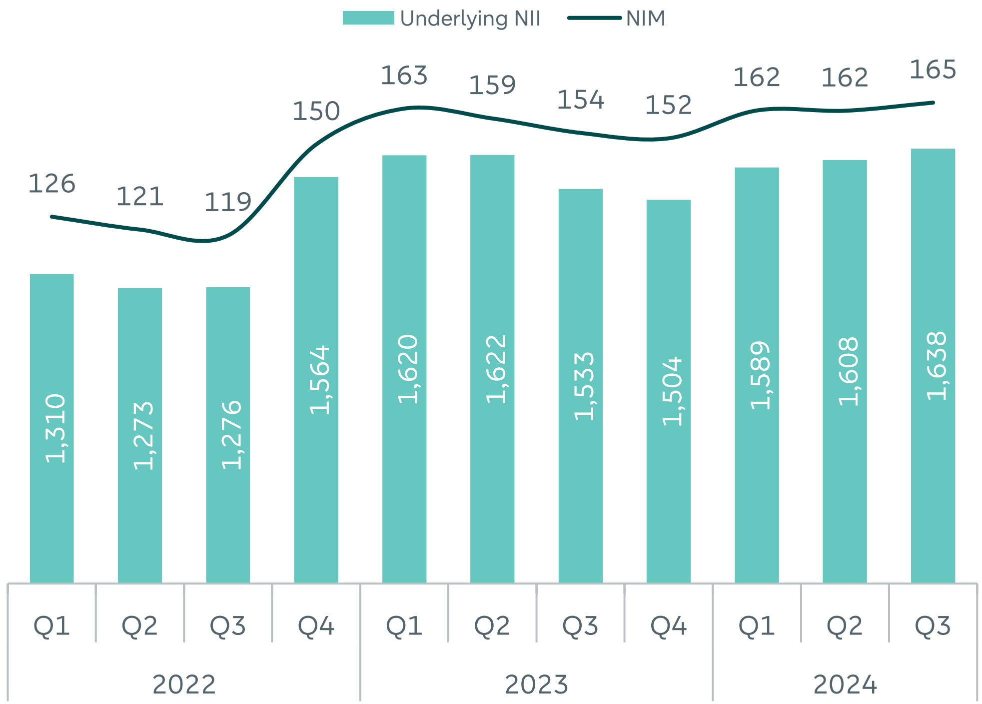


- Continued growth of mortgage portfolio supported by an increase in new customers; YTD market leader with a 19% market share
- Stable corporate loan book, growth in transition themes (New Energies, Digital and Mobility) in Northwestern Europe offset by a decline in Asset Based Finance (ABF) outside the Netherlands
- Decrease in consumer loans continued as several products are in run-off and stricter lending criteria led to lower client demand
- Despite high seasonal holiday spending, client deposits went up by 0.3bn
- Professional deposits, which can be volatile, increased, largely related to current accounts at Clearing

Net interest income improved further, FY2024 NII expected above 6.4bn

Underlying NII and NIM increased 1)

EUR m



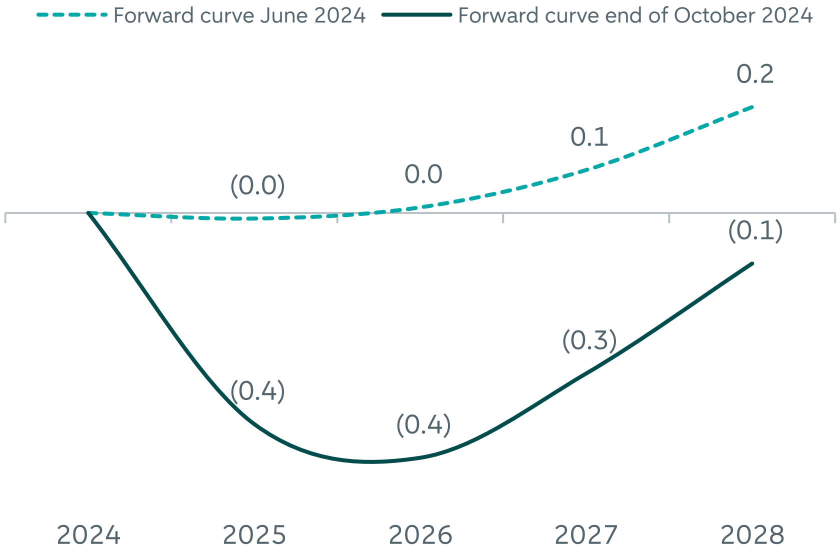
- Positive trend in underlying NII 1) and NIM continued, largely reflecting improvement of Treasury result of c.40m
- Both asset margins and deposit margins were broadly flat Q-o-Q
- During Q3 client savings coupon remained constant while yield on replicating portfolio showed a very modest decline
- FY2024 NII expected above 6.4bn

1) Underlying NII excludes incidentals (release Euribor provision Q2 2022 28m; provision for revolving consumer credit Q2 2022 -110m, Q2 2023 18m and Q4 2023 -34m; positive revaluation DSB claim Q1 2024 29m) and includes TLTRO benefit (Q1 2022 till Q4 2022, 44m, 41m, 44m and 60m). Both Q2 2024 and Q3 2024 include releases of c.10m which are non-structural

Sensitivity of replicating portfolio interest income

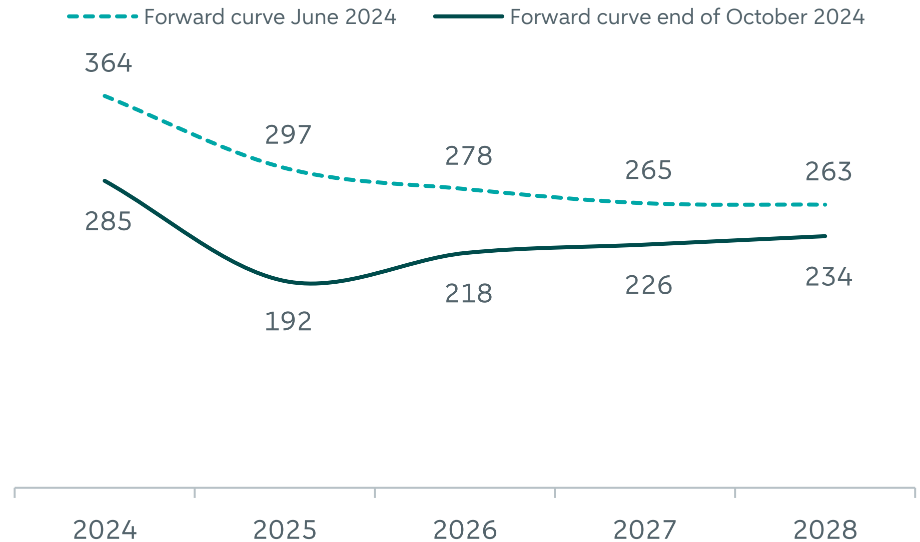
Replicating portfolio income vs 2024 1)

EUR bn



3-month Euribor forward curves

in bps, end of period



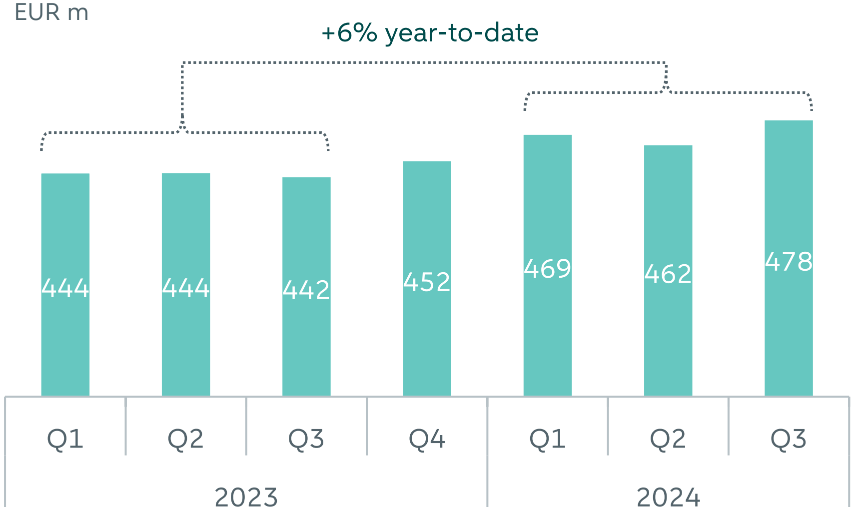
- Interest income generated from the replicating portfolio reached an inflection point during Q3 2024
- Trajectory going forward is dependent on future interest rate developments, with chart above showing simulation of current and historic forward curves
- Based on the forward curve of the end of October, replicating income shows a decline of around 0.4bn in 2025
- Total NII for 2025 will further be driven by:
  - higher Treasury result 2)
  - client saving coupons, whereby 1bps change corresponds to c.10m NII
  - business developments

1) Constant volumes of c.155bn, based on end of September 2024
2) Treasury result increased c.40m in Q3 and higher level expected to persist into 2025. Based on Q3 run rate Treasury result to lead to c.0.1bn higher NII in 2025 vs 2024

Strong increase in fee and commission income and other income

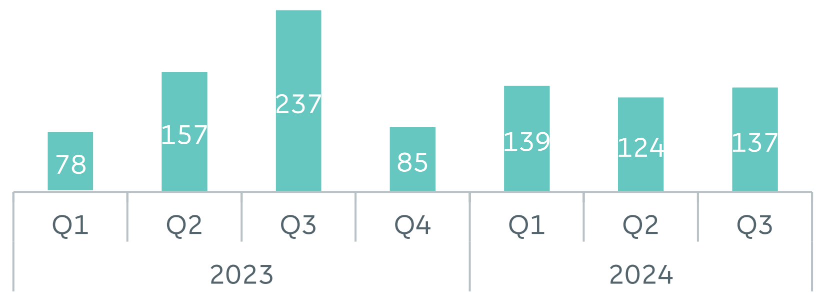
Fee and commission income

EUR m



Underlying other income 1)

EUR m



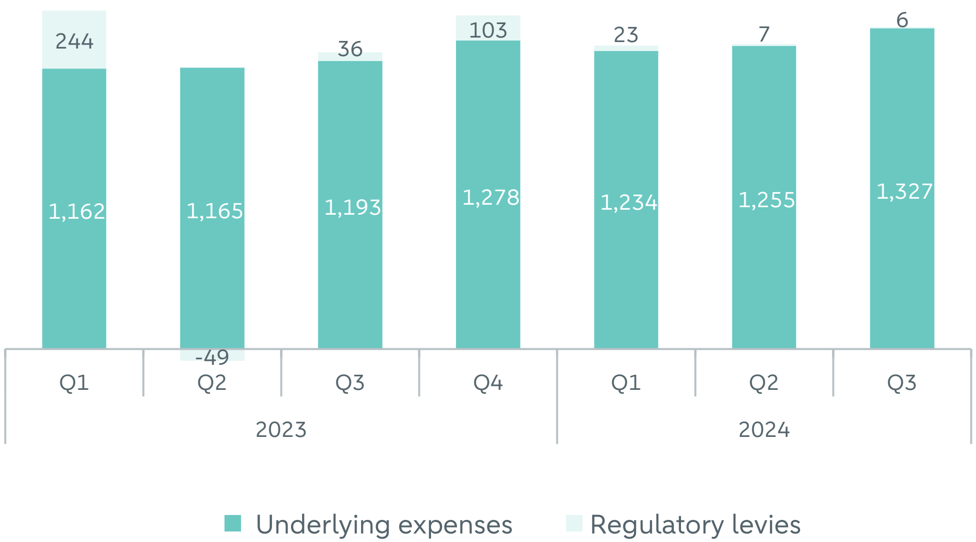
- Higher fees in Q3 driven by good performance in all client units
- Personal & Business Banking fees were higher compared to Q2 from seasonally larger transaction volumes
- Wealth Management fees slightly up Q-o-Q from good market performance
- Both Clearing and Global Markets contributed to slightly higher fees in Q3 for Corporate Banking
- Underlying other income increased versus Q2, driven by sale of fully written down loan, partly offset by lower results on equity participations

1) Underlying Other income excludes incidental related to a held for sale adjustment of 24m in Q2 2024

Costs remain under control, increase in Q3 as anticipated

Underlying expenses and regulatory levies [1)]

EUR m



- Increase in underlying expenses anticipated resulting from new CLA and upscaling of resources for data capabilities and regulatory programs
- Impact new CLA in Q3 2024 c.60m from salary increase and accrual for annual reward premium (to be paid in 2025) [2)]
- FY2024 cost expectation remains at c.5.3bn including regulatory levies of c.150m

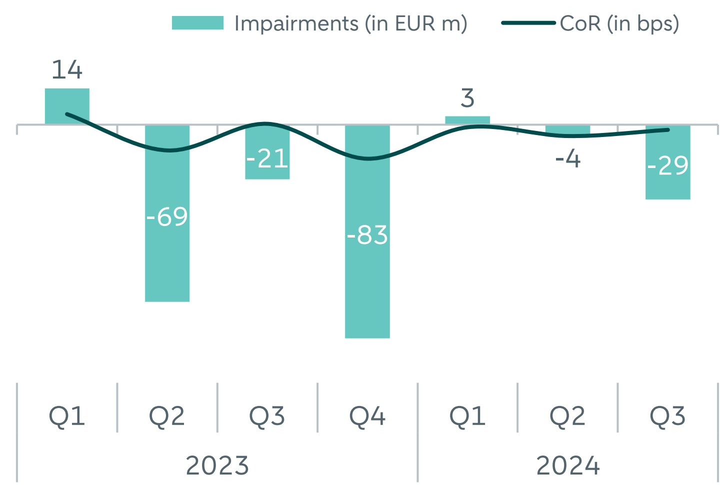
1) Underlying expenses exclude incidentals related to handling costs revolving consumer credit of 20m in Q2 2023 and goodwill impairments of 81m in Q4 2023
2) CLA only for NL with a structural salary increases of 6% from 01/07/2024 and 3.75% from 01/07/2025; additional individual annual reward premium up to 5%

Credit quality remains solid with low cost of risk

Impaired ratio stable at 1.9%

	Stage 3 loans (EUR m)		Stage 3 coverage ratio	
	Q3 2024	Q2 2024	Q3 2024	Q2 2024
Mortgages	1,366	1,360	4.4%	8.9%
Corporate loans	3,330	3,251	25.9%	25.1%
Consumer loans	226	249	46.8%	46.0%
Total [1)]	**4,931**	**4,867**	**20.9%**	**21.7%**
Impaired ratio (stage 3)	**1.9%**	**1.9%**		

Impairment releases in Q3

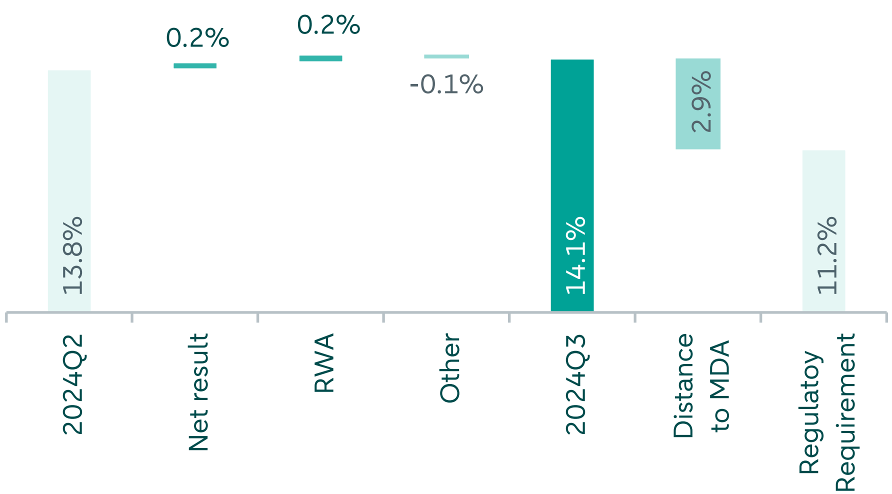


- Impaired ratio stable at 1.9% and stage 3 coverage ratio slightly lower from a model change for mortgages
- Impairment releases of 29m, largely the result of an improved model for mortgages
- Increase in impairments for corporate loans related to additions for new and existing clients
- Management overlays slightly increased to c.240m
- Credit quality remains solid, FY2024 CoR expected well below through the cycle Cost of Risk of 15-20bps

1) Total includes other loans and advances customers

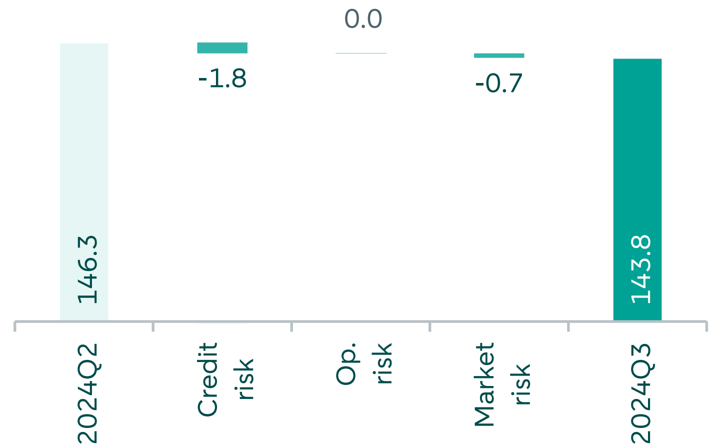
CET1 capital ratio increased from strong results and lower RWA

Basel III CET1 ratio [1)]



Basel III RWA

EUR bn



- Basel III CET1 ratio increased to 14.1% from strong results and lower RWA and Basel IV CET1 ratio remained around 14%
- Capital ratio is well above our regulatory requirement and AT1 shortfall addressed through issuance of a new AT1 instrument in Q3
- Total RWAs decreased by 2.5bn, mainly reflecting a decline in credit risk RWAs from business developments, largely in Clearing and ABF, and data quality improvements
- Market risk RWA also declined, largely related to position changes from steering down the credit trading portfolio
- Assessment of capital position and potential room for a share buyback postponed to Q2 2025

1) Q3 capital ratios in this presentation are on a pro-forma basis including 50% of net profit following new prudential expectations by the ECB; net result excluding dividend reserve, which is included in Other.

Guidance 2024 and Financial targets 2026

	Guidance 2024	YTD 2024
Net Interest Income	above 6.4bn	4.8bn
Costs	c.5.3bn	3.9bn
Cost of Risk	well below TTC CoR of 15-20bps	-2bps
	2026 targets	**YTD 2024**
Return on equity	9-10%	11.3%
Cost income ratio	c.60%	58.2%
CET1 Basel IV target	13.5%	Around 14%
Dividend pay-out	50%	0.60 interim dividend

- Strong YTD results
- Improved Net Interest Income
- Costs remain under control
- Solid credit quality
- Strong capital position

Appendices

Continued strong result in Q3

EUR m	Q3 2024	Q2 2024	Δ vs Q2 2024	Q3 2023	Δ vs Q3 2023
Net interest income	1,638	1,608	2%	1,533	7%
Net fee and commission income	478	462	3%	442	8%
Other operating income	137	100	37%	237	-42%
Operating income	**2,253**	**2,171**	**4%**	**2,211**	**2%**
Operating expenses	**1,334**	**1,263**	**6%**	**1,228**	**9%**
- Underlying expenses	*1,334*	*1,263*	*6%*	*1,185*	*13%*
- Underlying excl. reg. levies	*1,327*	*1,255*	*6%*	*1,193*	*11%*
Operating result	**920**	**908**	**1%**	**983**	**-6%**
Impairment charges	-29	-4		-21	35%
Income tax expenses	259	271	-4%	246	5%
Profit	**690**	**642**	**7%**	**759**	**-9%**
Client loans (end of period, bn)	241.7	240.3	1.5	240.4	1.3
Client deposits (end of period, bn)	224.5	224.2	0.3	223.7	0.8

1) Underlying is excluding disclosed incidentals, for details see slides on net interest income and costs

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