Kwartaalverslag

Eerste kwartaal 2016

ABN AMRO Group N.V.

Notes to the reader

Introduction

This Quarterly Report presents ABN AMRO's result for the first quarter of 2016. The report contains an update of our share's performance, our quarterly operating and financial review, an economic update and selected risk, capital, liquidity and funding disclosures.

Presentation of information

The financial information contained in this Quarterly Report has been prepared according to the same accounting policies and methods of computation as our most recent financial statements, which were prepared in accordance with EU IFRS. The figures in this document have not been audited or reviewed by our external auditor.

This report is presented in euros (EUR), which is ABN AMRO's presentation currency, rounded to the nearest million (unless otherwise stated). All annual averages in this report are based on month-end figures. Management does not believe that these month-end averages present trends that are materially different from those that would be presented by daily averages.

Certain figures in this report may not tally exactly due to rounding. Furthermore, certain percentages in this document have been calculated using rounded figures.

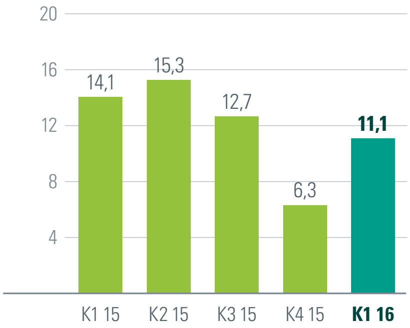
In addition to this report, ABN AMRO provides the following supplementary documents for its 2016 results on abnamro.com/ir:

- Analyst and investor call presentation: results Q1 2016;
- Investor presentation: results Q1 2016;
- Factsheet Q1 2016.

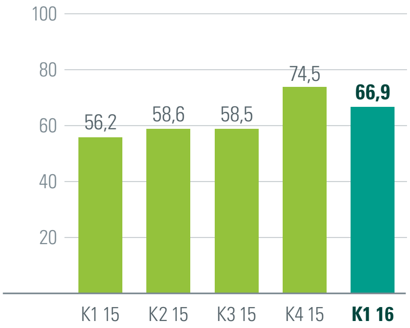
For a download of this report or more information, please visit us at abnamro.com/ir or contact us at investorrelations@nl.abnamro.com.

Kerncijfers

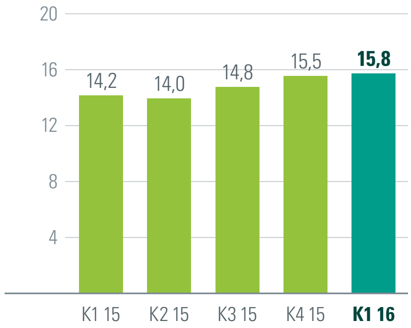
Onderliggend rendement op eigen vermogen
Doelstelling is: 10-13 (in %)



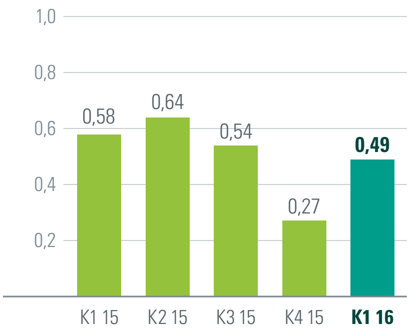
Onderliggende cost/income ratio
Doelstelling voor 2017 is: 56-60 (in %)



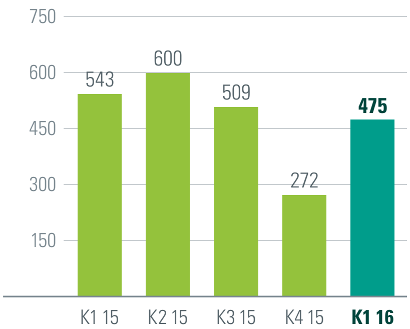
CET1 (fully-loaded)
Doelstelling is: 11,5-13,5 (in %)



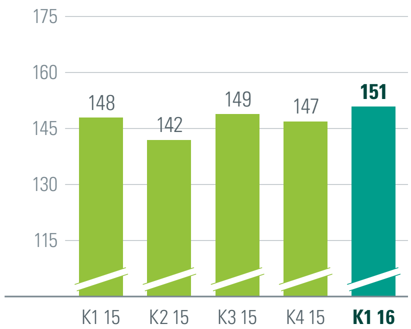
Onderliggende earnings per share
(in EUR)



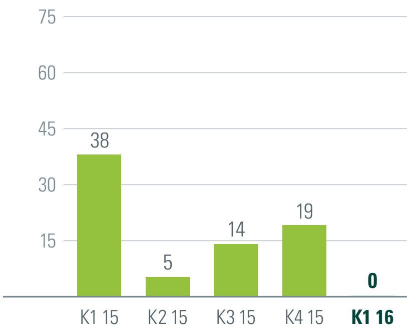
Gerapporteerd netto resultaat
(in EUR miljoenen)



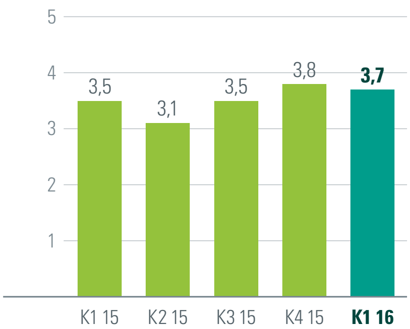
Onderliggende netto rentemarge
(in bps)



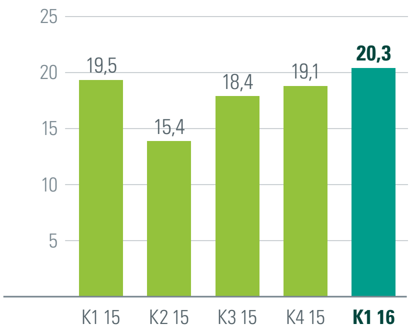
Onderliggende cost of risk
(in bps)



Leverage ratio (fully-loaded, CDR)
(per einde kwartaal, in %)



Totaal capital ratio (fully-loaded)
(per einde kwartaal, in %)



Bericht van de Voorzitter van de Raad van Bestuur

Een belangrijke pijler van onze strategie is de klant centraal stellen. In het eerste kwartaal van 2016 hebben we onze producten en dienstverlening verder verbeterd. Zo hebben we prijsverlagingen doorgevoerd voor de betaalpakketten van onze particuliere klanten (rekeningen en betaalpas). Ook hebben we onze Mobiel Bankieren app uitgebreid met nieuwe mogelijkheden. En voor klanten met minder ervaring op het gebied van internet en mobiel bankieren hebben we onlangs ons eerste pop-up kantoor geopend, om hen wegwijs te maken in deze vormen van bankieren. Verder zijn we net gestart met een pilot om oudere klanten thuis of per telefoon te helpen hun bankzaken te regelen.

De veelheid van kanalen die klanten kunnen gebruiken is recentelijk erkend: ABN AMRO won de NCCA-award voor beste klantbeleving in Nederland, omdat onze dienstverlening via webcam, telefoon, chat, e-mail of op een van onze kantoren naadloos op elkaar aansluit. Bij Corporate Banking vond in maart de officiële opening plaats van het kantoor in Shanghai. Hierdoor kunnen we onze ECT klanten en Nederlandse klanten die zaken doen in China beter bedienen. Onze sterke focus op duurzaamheid zien we terug in de invoering van een online duurzaamheidsapplicatie en het beschikbaar stellen van EUR 1 miljard voor de financiering van duurzame initiatieven voor onze commercieel vastgoedklanten.

2016 kende een uitdagende start door de onrust op de financiële markten. Deze werd veroorzaakt door zorgen over de Chinese economie en de initieel aanhoudende daling van de olieprijzen in combinatie met een verdere verlaging van de al negatieve rente. In de eerste twee maanden van het jaar zakten de aandelenmarkten verder in en werden de credit spreads groter, maar tegen het einde van het kwartaal zagen we een lichte verbetering. De nettowinst kwam in het eerste kwartaal van 2016 uit op EUR 475 miljoen – een daling van 13%, oftewel EUR 68 miljoen, ten opzichte van dezelfde periode in 2015. In het eerste kwartaal van 2016 bedroegen de wettelijke heffingen EUR 98 miljoen, tegenover nihil in het eerste kwartaal van 2015. De daling van de winstgevendheid is het gevolg van lagere operationele baten als gevolg van de marktvolatiliteit in de eerste twee maanden van dit jaar, in combinatie met een stijging van de operationele lasten met 8% in verband met wettelijke heffingen.

Dit alles heeft geleid tot een daling van het operationeel resultaat met 31%. Tegenover deze daling stond een significante afname van de kredietvoorzieningen tot bijna nul; dit is ruim onder het gemiddelde voor de lange termijn en veel lager dan de voorzieningen in het eerste kwartaal van 2015. De nettowinst van EUR 475 miljoen vertaalt zich in een winst per aandeel van EUR 0,49 en een rendement op eigen vermogen van 11,1%. Dit is binnen de gewenste bandbreedte van 10-13%. Als de wettelijke heffingen in beide jaren evenredig over de vier kwartalen worden verdeeld, komt het rendement op eigen vermogen in het eerste kwartaal van 2016 uit op 11,5% (vergeleken met 12,9% in dezelfde periode in 2015).

De netto rentebaten – onze belangrijkste inkomstenbron – waren solide en bleven stabiel ten opzichte van het jaar ervoor. We beschermen onze rentebaten tegen renteschommelingen met hedges. Hierdoor komen de netto rentebaten grotendeels voort uit commerciële marges en volumeontwikkelingen; deze hebben we in de afgelopen zeven kwartalen op ongeveer EUR 1,5 miljard weten te behouden. Onder invloed van de marktvolatiliteit daalden de netto provisiebaten (met 7%) en kwamen de overige baten (o.a. CVA/DVA/FVA) negatief uit. Het feit dat deze post, die doorgaans positief is, licht negatief uitkwam, verklaart grotendeels de daling van de totale operationele baten met 9%.

De kostenstijging van 8% kan volledig worden toegeschreven aan de wettelijke heffingen. De combinatie van hogere wettelijke heffingen en de volatiele financiële markten, leidde tot een afname van het operationeel resultaat met 31% en een toename van de cost/income ratio naar 66,9%, of 65,3% bij een evenredige verdeling van de wettelijke heffingen over de vier kwartalen van dit jaar. Deze cost/income ratio is hoger dan onze doelstelling van 56-60%, die we nog steeds in 2017 willen behalen. De kredietvoorzieningen kwamen in het eerste kwartaal uit op bijna nul. Het herstel van de Nederlandse economie resulteerde niet alleen in lagere individuele kredietvoorzieningen maar ook in een vrijval uit de IBNI voorziening.

We hebben onze fully-loaded Common Equity Tier 1-ratio (CET1-ratio) verder verbeterd van 15,5% eind 2015 naar 15,8%. Onze doelstelling is een CET1-ratio van 11,5-13,5% bij toepassing van de Basel IV-regels. De recente Basel-voorstellen hebben vooral verstrekkende gevolgen voor een groot aantal van onze zakelijke klanten die geen externe kredietbeoordeling hebben en waarvan de niet-financiële zekerheden over het algemeen niet leiden tot een lagere RWA. Het meest recente Basel-voorstel heeft mogelijk ook een grote impact op de wettelijk vereiste kapitaalpositie van de bank en op de prijsstelling van bepaalde gespecialiseerde kredietactiviteiten. Daarom blijven we onze kapitaalpositie versterken tot er meer duidelijkheid is over Basel IV.

Dit kwartaal was er ook nieuws van het Basel Comité over de leverage ratio. In het meest recente consultatie-document wordt een nieuwe methode voorgesteld voor het berekenen van de exposure measure van geclearde derivaten. Als gevolg hiervan zou de totale exposure measure met ongeveer EUR 42 miljard kunnen dalen. Met de publicatie van dit consultatiedocument werd ook duidelijk dat de krediet conversie factoren van niet uit de balans blijkende verplichtingen, zoals onvoorwaardelijk opzegbare verplichtingen, gelijk worden getrokken met die onder het Revised Standardised Approach-voorstel voor kredietrisico's. Met deze nieuwe ontwikkeling wordt het voordeel van de geclearde derivaten weer deels tenietgedaan.

In 2014 en 2015 hebben we van een specifieke groep mkb-klanten de dossiers bekeken om vast te stellen of er sprake was van onregelmatigheden met betrekking tot rentederivaten en hebben op basis daarvan voorzieningen getroffen. We hebben dit gedaan in nauw overleg met de Autoriteit Financiële Markten (AFM). In december 2015 kwam de AFM tot de conclusie dat de herbeoordelingen opnieuw moeten worden uitgevoerd. Op initiatief van de minister van Financiën is in maart een commissie aangesteld. Deze commissie zal in juni 2016 met een uniforme vergoedingsregeling komen voor de desbetreffende klanten. We hebben onze standpunten met de commissie gedeeld. Op dit moment bestaat er nog onduidelijkheid over de strekking en omvang van de herbeoordeling die we de komende tijd moeten uitvoeren en impact van het compensatiekader. Dit proces zou kunnen leiden tot een nog niet te voorspellen verhoging van de huidige voorziening, hoewel het advies van de commissie niet bindend is.

Richting de toekomst blijven we onze strategie uitvoeren. Ondertussen zien we steeds snellere en voortdurende veranderingen in de behoeften van klanten en op het gebied van regelgeving, digitalisering en innovatie. Willen we onze klanten kunnen laten profiteren van deze snel veranderende omgeving, dan zijn flexibiliteit en nieuwe ideeën van groot belang. We moeten wendbaarder, en kostenefficiënter en -effectiever worden. Daarom zoeken we naar aanvullende manieren om kosten te besparen, om onze operationele efficiency te verbeteren en om verder te investeren in digitalisering en de ontwikkeling van innovatieve producten. We verwachten in de tweede helft van 2016 meer bekend te kunnen maken over onze plannen voor het actualiseren van onze strategie en financiële doelstellingen tot 2020.

Gerrit Zalm
Voorzitter van de Raad van Bestuur

ABN AMRO shares

Key developments

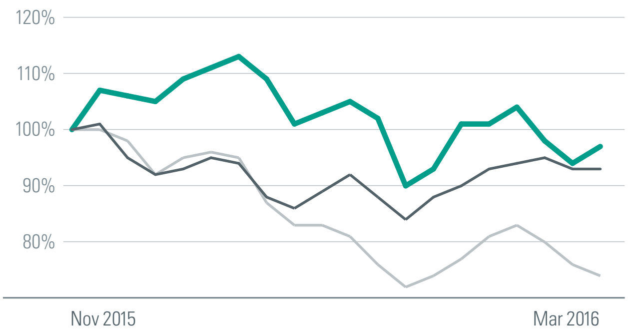
Between the IPO on 20 November 2015 and 31 March 2016, ABN AMRO's shares (depositary receipts) declined 3% while the STOXX Europe 600 Bank index declined 26%. ABN AMRO was included in the Euronext Amsterdam AEX index on 21 March 2016.

Listing information

A total of 216.2 million shares, or 23% of the total issued share capital of ABN AMRO Group, are currently held by the STAK AAG ('Stichting Administratiekantoor Continuïteit ABN AMRO Group'), which subsequently issued depositary receipts representing such shares. For more information about the STAK AAG, please refer to the 'About ABN AMRO' section of abnamro.com. The depositary receipts trade under ISIN code 'NL0011540547', Reuters ticker 'ABN.AS' and Bloomberg ticker 'ABN NA'.

Share price development

(in %)



Financial calendar[1]

- Annual General Meeting - 18 May 2016
- Ex-dividend date final dividend - 20 May 2016
- Record date final dividend - 23 May 2016
- Payment date final dividend - 14 June 2016
- Publication second-quarter results - 17 August 2016
- Ex-dividend date interim dividend - 24 August 2016
- Record date interim dividend - 25 August 2016
- Publication third-quarter results - 16 November 2016

(in millions)	Q1 2016	Q4 2015	Q1 2015
Share count			
Total shares outstanding/issued and paid-up shares	940	940	940
- of which held by NLFI	724	724	940
- of which listed (in the form of depositary receipts)	216	216	
- as a percentage of total outstanding shares	23%	23%	0%
Average number of shares	940	940	940
Average diluted number of shares	940	940	940
Key indicators per share (EUR)			
Underlying earnings per share[2]	0.49	0.27	0.58
Shareholder's equity per share[3]	18.05	17.63	16.57
Tangible shareholder's equity per share[3]	17.77	17.36	16.28
Share price development (EUR)			
Closing price (end of period)	18.01	20.67	
High (during the period)	21.00	20.80	
Low (during the period)	15.23	18.00	
Market capitalisation (end of period, in billions)	16.93	19.43	
Valuation indicators (end of period)			
Price/Earnings	9.2x	10.2x	
Price/Tangible book value	1.0x	1.2x	

[1] All dates are subject to change. Please refer to abnamro.com/ir for the latest information. Dividend record date applies only if a final or interim dividend is paid.
[2] Underlying profit for the period excluding reserved coupons for AT 1 Capital securities (net of tax) and results attributable to non-controlling interests divided by the average outstanding and paid-up ordinary shares.
[3] Calculated based on end-of-period figures.

Economic environment

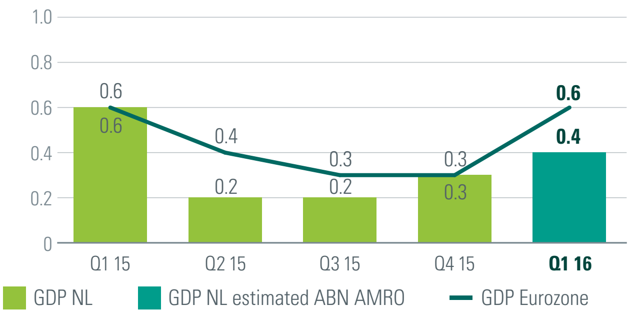
The year 2016 started with severe unrest in China's financial markets. This caused a great deal of concern about a possible hard landing of the Chinese economy and about other emerging economies. In addition, markets feared the effects of the initial further drop in oil prices. Anxiety emerged over the threat of a recession in the US and the eurozone, while people increasingly feared that central banks might be out of bullets. Later in Q1, economic sentiment improved as new data did not suggest a strong slowdown of the Chinese economy. Moreover, oil prices and other commodity prices picked up again, while data suggested that recessions in advanced economies are unlikely. The Fed reduced its expected tightening and the ECB took more action.

The US economy slowed further in Q1. The labour market, however, continued to improve. Economic growth in the eurozone came to 0.6%[1], an increase on the preceding quarter. Economic growth in the eurozone is still supported by low oil prices, low financing costs (also attributable to ECB policy measures) and improvements in the credit channel. A number of one-off factors lifted economic growth in Q1.

Following some acceleration in Q4 2015 (compared with the preceding quarter), according to ABN AMRO's forecast, Dutch GDP growth was even slightly higher in Q1. Private consumption disappointed[2], but exports continued to expand. Moreover, investment did better than expected, after the strong rise in the preceding quarter. For the year as a whole, ABN AMRO forecasts an average expansion of Dutch GDP by 1.7% (2015: +2%). Hence, the economic environment for ABN AMRO appears to be mildly positive. Risks to the economy, however, are tilted to the downside.

[1] Eurostat preliminary figure.
[2] ABN AMRO forecasts for consumption, investment and exports .

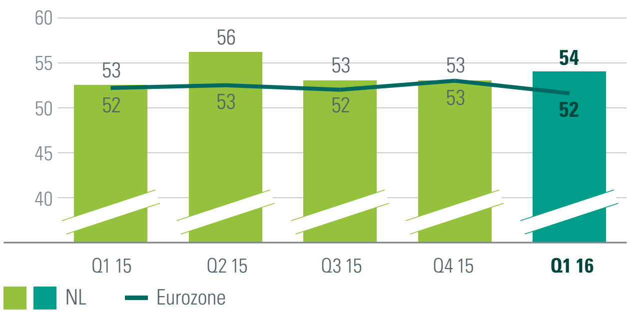
Quarterly development of Gross Domestic Product
(in % q-o-q growth)



Source: Eurostat, CBS and ABN AMRO

- GDP growth is estimated to have been slightly higher than growth in Q4 2015 (quarter-on-quarter);
- Investment did well, but private consumption was rather weak;
- Exports rose further.

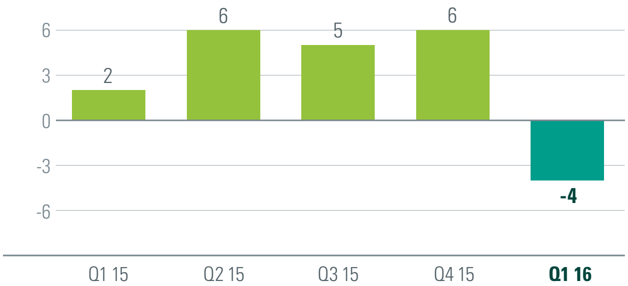
Manufacturing Purchasing Managers' Index
(>50: growth, <50: contraction, end-of-period)



Source: Markit

- Manufacturing Purchasing Managers' Index (PMI), on balance, rose slightly in Q1 2016, following a likewise modest increase in Q4 2015;
- At 53.6 in March, the PMI was well above 50, which points to further economic growth;
- Dutch PMI was higher than the eurozone manufacturing figure, which fell in Q1.

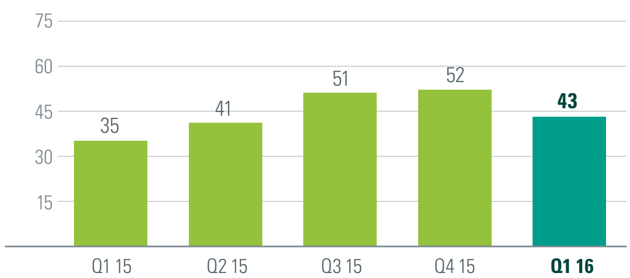
Consumer confidence in the Netherlands
(as % balance of positive and negative answers, end-of-period)



Source: CBS

- Consumer confidence showed a marked decline in the course of Q1, from +6 to -4;
- Nevertheless, confidence in March was still higher than the long-term average (approximately -8);
- The rise in April, however, suggests that confidence is not on a downward trend.

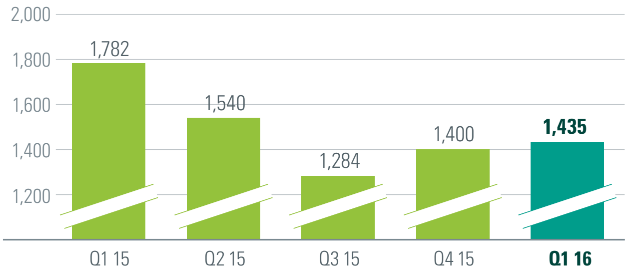
Number of houses sold in the Netherlands
(in thousands)



Source: CBS

- Number of houses sold rose by 24% year-on-year in Q1 2016;
- House prices increased by 4.3% year-on-year in March;
- The housing market is benefiting from very low interest rates, although it is being reined in by stricter loan-to-value requirements and slightly lower interest tax relief.

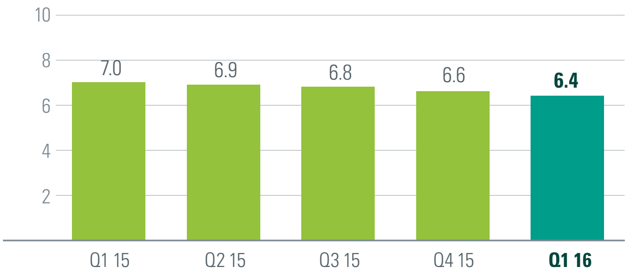
Bankruptcies in the Netherlands
(number of bankruptcies)



Source: CBS

- The total number of bankruptcies in Q1 2016 dropped by almost 20% compared with Q1 2015;
- However, there were slightly more bankruptcies in Q1 2016 than in Q4 2015;
- Bankruptcies are lagging impairments, as stated in the Risk chapter.

Unemployment in the Netherlands
(in % of total labour force, end-of-period)



Source: CBS

- Unemployment fell slightly further in the course of Q1;
- From a historical perspective, the labour market recovery is modest, due to the likewise more moderate recovery in economic activity;
- Consequently, wage rises are also slightly lower than in the past, which is preventing a further improvement in purchasing power.

Financial results

Operating and financial review

This operating and financial review includes a discussion and analysis of the results of operations and sets out the financial condition of ABN AMRO Group based on underlying results.

Income statement

Operating results

(in millions)	Q1 2016	Q1 2015	Change	Q4 2015	Change
Net interest income	1,545	1,545	0%	1,497	3%
Net fee and commission income	435	470	-7%	454	-4%
Other operating income	-10	154		101	
Operating income	**1,971**	**2,168**	**-9%**	**2,052**	**-4%**
Personnel expenses	617	619	0%	640	-3%
Other expenses	702	600	17%	889	-21%
Operating expenses	**1,319**	**1,219**	**8%**	**1,528**	**-14%**
Operating result	**651**	**949**	**-31%**	**524**	**24%**
Impairment charges on loans and other receivables	2	252	-99%	124	-99%
Operating profit/(loss) before taxation	**650**	**697**	**-7%**	**399**	**63%**
Income tax expense	175	154	14%	128	37%
Underlying profit/(loss) for the period	**475**	**543**	**-13%**	**272**	**75%**
Special items					
Reported profit/(loss) for the period	**475**	**543**	**-13%**	**272**	**75%**
Of which available for AT 1 capital securities (net of tax)	11			11	
Of which Non-controlling interests	1	1		5	

Other indicators

	Q1 2016	Q1 2015	Q4 2015
Net interest margin (NIM) (in bps)	151	148	147
Underlying cost/income ratio	66.9%	56.2%	74.5%
Underlying cost of risk (in bps)[1]	0	38	19
Underlying return on average Equity[2]	11.1%	14.1%	6.3%
Underlying earnings per share (in EUR)[3]	0.49	0.58	0.27

1 Annualised impairment charges on Loans and receivables - customers for the period divided by the average Loans and receivables - customers on basis gross carrying amount and excluding fair value adjustment from hedge accounting.
2 Underlying profit for the period excluding reserved coupons for AT 1 Capital securities (net of tax) and results attributable to non-controlling interests divided by the average equity attributable to the owners of the company.
3 Underlying profit for the period excluding reserved coupons for AT 1 Capital securities (net of tax) and results attributable to non-controlling interests divided by the average outstanding and paid-up ordinary shares.

	31 March 2016	31 December 2015
Client Assets (in billions)	308	314
FTEs	21,999	22,048

First-quarter 2016 results

ABN AMRO's **profit for the period** for the first quarter of 2016 amounted to EUR 475 million, a decrease of EUR 68 million compared with the first quarter of 2015. Negative other operating income caused by unfavourable hedge accounting-related results, low Equity Participations results, negative CVA/DVA/FVA results and regulatory levies (EUR 74 million net of tax) were largely offset by limited loan impairment charges this quarter.

The first quarter of 2016 included regulatory levies of EUR 98 million (or EUR 74 million net of tax) for the Dutch Single Resolution Fund (SRF) and Deposit Guarantee Scheme (DGS) (both tax deductible). The Single Resolution Fund became effective as of Q1 2016 (new legislation; full 2016 contribution recorded in Q1) and replaced the National Resoution Fund which was introduced in 2015. The booked Dutch SRF expenses in Q1 2016 amounted to EUR 77 million, consisting of EUR 109 million for the 2016 SRF charge, minus an expected EUR 32 million refund on the 2015 National Resolution Fund payment. Implementation of the Deposit Guarantee Scheme in the Netherlands took place in Q1 2016 and will be recorded on a quarterly basis. The expected total charge for DGS in 2016 is EUR 89 million, of which EUR 21 million was booked in Q1. The Dutch bank tax will be recorded entirely in Q4 2016 and is expected to amount to approximately EUR 100 million (not tax deductible).

In 2015, all regulatory levies of EUR 220 million were recorded in Q4 (Dutch bank tax: EUR 98 million, National Resolution Fund: EUR 119 million and Deposit Guarantee Scheme outside the Netherlands: EUR 3 million).

The **return on equity (ROE)** decreased to 11.1% in Q1 2016 compared with 14.1% in the same period of 2015. If the regulatory levies in both years had been divided equally over the quarters, ROE would have been 11.5% in Q1 2016 (versus an adjusted ROE of 12.9% in the same period of 2015).

Operating income decreased by EUR 197 million to EUR 1,971 million from EUR 2,168 million in Q1 2015.

Net interest income was EUR 1,545 million in Q1 2016 and remained stable compared with Q1 2015. The increase compared with Q4 2015 was EUR 48 million and is explained by several negative one-off items in Q4 2015, mainly consisting of a provision for a Euribor mortgages legal claim.

Net interest income on residential mortgages increased compared with Q1 2015 as margin improvements more than offset the decrease in portfolio volume. The impact of repricing of the mortgage book in recent years continued to contribute to higher net interest income. Compared with Q4 2015 and Q1 2015, the repricing effect continued to level off.

Net interest income on consumer loans decreased due to declining average loan volumes and slightly lower margins.

Net interest income on corporate loans increased in Q1 2016 compared with Q1 2015 due to the positive impact of improved margins, partly offset by lower average volumes. Margin improvements were recorded at both Commercial Clients and International Clients. The decrease in average corporate loan volumes compared with Q1 2015 was driven chiefly by Commercial Clients. The average volumes at International Clients remained almost stable (including currency impacts).

Net interest income was negatively impacted by higher liquidity buffer costs as the liquidity buffer was higher compared with Q1 2015.

Net interest margin (NIM) increased to 151bps in Q1 2016 compared with 148bps in Q1 2015 due to lower average total assets. The increase on Q4 2015 (147bps) was almost entirely related to the negative one-offs in that quarter.

Net fee and commission income, at EUR 435 million in Q1 2016, was EUR 35 million lower than in Q1 2015 and also showed a decrease compared with Q4 2015. This was mainly related to volatility in the financial markets during the first two months of 2016, which negatively impacted all business lines except for Clearing.

Other operating income showed a large decline of EUR 164 million to EUR 10 million negative in Q1 2016 and was negatively impacted by volatility in financial markets. CVA/DVA/FVA results declined (EUR 49 million negative in Q1 2016 versus EUR 8 million positive in Q1 2015) and Equity Participations results were nil this quarter (versus EUR 29 million in Q1 2015 and EUR 30 million in Q4 2015). In addition, hedge accounting-related results (Group Functions) were also unfavourable compared with Q1 2015. The decline compared with Q4 2015 is explained by the same factors, although this was partly offset by an additional provision in Q4 2015 of approximately EUR 75 million at Capital Markets Solutions for an identified group of SMEs with possible derivative-related issues. As per 31 March 2016 the total provision amounted to approximately EUR 120 million.

Personnel expenses amounted to EUR 617 million in Q1 2016 and were in line with Q1 2015. The slight increase in overall personnel expenses was compensated by a restructuring provision taken at Corporate Banking in Q1 2015. Personnel expenses decreased compared with Q4 2015 due to a restructuring provision at Group Functions in Q4 2015.

Other expenses rose by EUR 102 million to EUR 702 million in Q1 2016 from EUR 600 million in Q1 2015. The increase was mainly caused by EUR 98 million regulatory levies recorded in Q1 2016. Other expenses fell sharply compared with Q4 2015, which was partly related to regulatory levies (EUR 98 million in Q1 2016 versus EUR 220 million in Q4 2015) and lower project costs.

The **operating result** declined by EUR 298 million compared with Q1 2015 and the **cost/income ratio** increased by 10.7 percentage points to 66.9%. If the regulatory levies were to be divided equally over the four quarters, the cost/income ratio would be 65.3% in Q1 2016 (versus 58.7% in Q1 2015).

Impairment charges on loans and other receivables amounted to only EUR 2 million in Q1 2016 compared with EUR 252 million in Q1 2015. The continued improvement of economic conditions in the Netherlands resulted in significantly lower impairment charges. In addition, a considerable IBNI release of EUR 81 million in Q1 2016 versus a release of EUR 31 million in Q1 2015 helped lower impairment levels as well.

Impairment charges on residential mortgages increased mainly due to an IBNI release recorded in Q1 2015.

The cost of risk for mortgages for the first quarter of 2016 increased to 7bps, which is within the estimated average through-the-cycle cost of risk of 5-7bps, compared with 3bps in the same quarter of the previous year.

Impairment charges on corporate loans decreased in Q1 2016 compared with Q1 2015. Impairment charges in Commercial Clients were significantly lower, benefiting from a considerable IBNI release in Q1 2016. The first quarter of 2015 included a single large addition. Within International Clients, impairment charges in ECT Clients increased to EUR 48 million in Q1 2016 versus EUR 17 million in Q1 2015 and EUR 31 million in Q4 2015.

Cost of risk was nil in Q1 2016, down from 38bps in Q1 2015. In Q4 2015, the cost of risk was 19bps.

International results

Operating income from international activities decreased by 6% compared with the first quarter of 2015, and represents 21% of overall operating income. The decline in operating income of international activities was mainly driven by the international Private Banking activities (both fees and other operating income) and MoneYou, which were only partly offset by higher international income at both Clearing and ECT Clients.

Balance sheet

Condensed consolidated statement of financial position

(in millions)	31 March 2016	31 December 2015
Cash and balances at central banks	23,883	26,195
Financial assets held for trading	3,412	1,706
Derivatives	23,171	19,138
Financial investments	42,326	40,542
Securities financing	33,592	20,062
Loans and receivables - banks	16,590	15,680
Loans and receivables - customers	263,666	259,319
Other	8,488	7,676
Total assets	**415,128**	**390,317**
Financial liabilities held for trading	1,504	459
Derivatives	27,294	22,425
Securities financing	23,076	11,372
Due to banks	17,488	14,630
Due to customers	229,893	230,297
Issued debt	79,383	76,207
Subordinated liabilities	10,106	9,708
Other	8,422	7,635
Total liabilities	**397,166**	**372,733**
Equity attributable to the owners of the parent company	16,965	16,575
Capital securities	993	993
Equity attributable to non-controlling interests	5	17
Total equity	**17,963**	**17,584**
Total liabilities and equity	**415,128**	**390,317**

Main developments in total assets compared with 31 December 2015

Total assets increased by EUR 24.8 billion to EUR 415.1 billion at 31 March 2016, due mainly to an increase in Securities financing volumes and, to a lesser extent, Loans and receivables - customers and Derivatives.

Cash and balances at central banks decreased by EUR 2.3 billion to EUR 23.9 billion at 31 March 2016, due mainly to the replacement of cash with financial investments.

Financial assets held for trading at 31 March 2016 increased by EUR 1.7 billion to EUR 3.4 billion compared with 31 December 2015, due mainly to an increase in government bonds mainly related to primary dealerships.

Derivatives went up by EUR 4.0 billion at 31 March 2016 compared with 31 December 2015, mainly reflecting the impact of interest rate movements and, to a lesser extent, FX-related movements. This is also observed in derivative liabilities.

Financial investments increased by EUR 1.8 billion to EUR 42.3 billion at 31 March 2016 compared with 31 December 2015, due mainly to the replacement of cash with financial investments.

Securities financing increased by EUR 13.5 billion to EUR 33.6 billion at 31 March 2016. This increase is related to the cyclicality of the business.

Loans and receivables - banks at 31 March 2016 increased by EUR 0.9 billion compared with 31 December 2015, partly as a result of higher cash collateral pledged due to the increase of financial liabilities held for trading.

Loans and receivables - customers

(in millions)	31 March 2016	31 December 2015
Residential mortgages	146,631	146,932
Consumer loans	14,769	15,147
Corporate loans to clients[1]	78,777	78,195
Total client loans[2]	**240,177**	**240,274**
Loans to professional counterparties	14,175	12,194
Other loans[3]	7,909	6,356
Total Loans and receivables - customers[2]	**262,262**	**258,824**
Fair value adjustments from hedge accounting	5,512	4,850
Less: loan impairment allowance	4,107	4,355
Total Loans and receivables - customers	**263,666**	**259,319**

1 Corporate loans excluding loans to professional counterparties.
2 Gross carrying amount excluding fair value adjustment from hedge accounting.
3 Other loans consist of loans and receivables to government, official institutions and financial markets parties.

Loans and receivables - customers increased by EUR 4.3 billion compared with 31 December 2015, although client loans were almost stable.

Client loans remained stable, as Corporate loans to clients at International Clients increased slightly and was offset by decreased Consumer loans and Residential mortgages.

Residential mortgages decreased to EUR 146.6 billion, down by EUR 0.3 billion compared with 31 December 2015. The market share in new production increased to 17%[1] in Q1 2016. Redemptions were higher due to an increase in refinancing and relocation. Low interest rates and increased awareness among homeowners of the possibility of residual debt are still incentives for extra repayments. Contractual repayments are gradually growing, following amended tax regulations. As a result, redemptions exceeded new mortgage production.

Corporate loans to professional counterparties rose by EUR 2.0 billion to EUR 14.2 billion and Other loans rose by EUR 1.6 billion to EUR 7.9 billion. Both increases are largely attributable to Capital Markets Solutions.

Main developments in total liabilities compared with 31 December 2015

Total liabilities increased by EUR 24.4 billion compared with 31 December 2015, due mainly to an increase in Securities financing volumes and, to a lesser extent, Derivatives liabilities.

Financial liabilities held for trading grew by EUR 1.0 billion due to increased short positions in bonds.

Derivative liabilities increased by EUR 4.9 billion to EUR 27.3 billion at 31 March 2016, mainly reflecting the impact of interest rate movements and, to a lesser extent, FX-related movements.

Securities financing liabilities grew by EUR 11.7 billion compared with 31 December 2015 to EUR 23.1 billion at 31 March 2016. The increase was related to the cyclicality of the business.

Due to banks rose by EUR 2.9 billion mainly as a result of increased money market positions.

1 Source: Dutch Land Registry

Due to customers

(in millions)	31 March 2016	31 December 2015
Retail Banking	99,148	98,674
Private Banking	65,179	66,465
Corporate Banking	64,226	62,850
Group Functions	1,341	2,308
Total Due to customers	**229,893**	**230,297**
Demand deposits	118,091	119,109
Saving deposits	92,562	92,472
Time deposits	19,087	18,555
Total deposits	**229,740**	**230,136**
Other due to customers	153	160
Total Due to customers	**229,893**	**230,297**

Due to customers decreased by EUR 0.4 billion, driven mainly by a decline in deposits at Private Banking (EUR 1.3 billion) and Group Functions (due to a EUR 1.0 billion redemption of Dutch State Treasury Agency funding), partly offset by an increase in deposits at Corporate Banking and Retail Banking (EUR 1.4 billion and EUR 0.5 billion, respectively). The combined market share of 21%[1] in retail deposits at Retail Banking and Private Banking in the Netherlands at 31 March 2016 was stable compared with 31 December 2015.

Issued debt increased by EUR 3.2 billion to EUR 79.4 billion at 31 March 2016 as the need for wholesale funding grew.

Total equity increased by EUR 0.4 billion to EUR 18.0 billion at 31 March 2016, mainly due to the inclusion of the first-quarter result.

[1] Source: De Nederlandsche Bank (DNB)

Results by segment

The results by segment section includes a discussion and analysis of the results of operations and of the financial condition of ABN AMRO Group at segment level for the first quarter of 2016 compared with the first quarter of 2015. Most of the interest expenses and operating expenses incurred by Group Functions are allocated to the business lines through net interest income and other expenses, respectively.

Retail Banking

Operating results

(in millions)	Q1 2016	Q1 2015	Change	Q4 2015	Change
Net interest income	830	836	-1%	805	3%
Net fee and commission income	113	132	-15%	132	-15%
Other operating income	3	10	-67%	5	-31%
Operating income	**946**	**978**	**-3%**	**941**	**0%**
Personnel expenses	119	125	-5%	120	-1%
Other expenses	433	368	17%	495	-13%
Operating expenses	**551**	**493**	**12%**	**616**	**-11%**
Operating result	**394**	**485**	**-19%**	**325**	**21%**
Impairment charges on loans and other receivables	26	35	-26%	9	
Operating profit/(loss) before taxation	**369**	**450**	**-18%**	**316**	**17%**
Income tax expense	93	112	-17%	89	4%
Underlying profit/(loss) for the period	**276**	**338**	**-18%**	**227**	**21%**
Special items					
Reported profit/(loss) for the period	**276**	**338**	**-18%**	**227**	**21%**

Retail Banking's **profit for the period** was EUR 276 million, a decline of EUR 62 million compared with the first quarter of 2015. This decline was mainly the result of lower operating income and the impact of regulatory levies. Compared with Q4 2015, profit for the period increased by EUR 49 million which was mainly related to lower operating expenses (partly related to regulatory levies).

Net interest income declined marginally by EUR 6 million compared with Q1 2015 to EUR 830 million in Q1 2016. Net interest income improved compared with Q4 2015, mainly due to negative one-offs in the previous quarter (including a provision for the Euribor mortgages legal claim).

Margins on residential mortgages improved compared with Q1 2015, due to repricing of the residential mortgage backbook. This was partly offset by lower average residential mortgage loan volumes. Compared with Q4 2015 and Q1 2015, the repricing effect continued to level off.

Net interest income on consumer loans decreased due to lower average loan volumes and lower margins.

Net interest income on deposits showed an increase compared with Q1 2015. Both margins and average savings volumes were higher than in the same period of 2015.

Net fee and commission income decreased by EUR 19 million compared with the same quarter of 2015, partly due to uncertainty in the stock markets in the first two months of 2016.

Personnel expenses declined by EUR 6 million to EUR 119 million in Q1 2016 compared with EUR 125 million in Q1 2015. The decline was due mainly to a lower average number of staff employed in Retail Banking following a further reduction of the number of branches.

Other expenses went up EUR 65 million in Q1 2016. The **regulatory levies** in Q1 2016 were EUR 37 million. Excluding the regulatory levies, other expenses increased by EUR 28 million. This was mainly attributable to higher (allocated) project costs, including the Retail Digitalisation programme. Other expenses were EUR 62 million lower than in Q4 2015, largely related to regulatory levies (EUR 37 million versus EUR 87 million).

Operating result declined by EUR 91 million in Q1 2016 to EUR 394 million. The **cost/income ratio** increased by 7.9 percentage points to 58.3%. If the regulatory levies were to be divided equally over the four quarters, the cost/income ratio would be 57.9% in Q1 2016 (52.6% in Q1 2015).

Impairment charges on loans and other receivables were EUR 26 million in Q1 2016, down EUR 9 million from Q1 2015. In Q1 2016 there was an IBNI release of EUR 23 million related to the consumer lending portfolio, which was almost equal to the IBNI release of EUR 22 million recorded in Q1 2015 related mainly to the mortgage portfolio.

The recovery of the Dutch economy and confidence in the housing market further improved in Q1 2016 and contributed to a continuing decrease in the impaired portfolio, although more gradually than in previous quarters, and to the ongoing improvement of the credit quality indicators. The impairment charges for mortgages were higher than in Q1 2015, but this was related to the IBNI releases in Q1 2015. Consumer loans also benefited from further improved economic conditions, leading to lower loan impairments, partly supported by the IBNI release in Q1 2016.

Other indicators

	Q1 2016	Q1 2015	Q4 2015
Underlying cost/income ratio	58.3%	50.4%	65.4%
Underlying cost of risk (in bps)[1]	7	8	2

[1] Annualised impairment charges on Loans and receivables - customers for the period divided by the average Loans and receivables - customers on basis gross carrying amount and excluding fair value adjustment from hedge accounting.

	31 March 2016	31 December 2015
Loan-to-Deposit ratio	151%	152%
Loans and receivables - customers (in billions)	153.9	154.2
Due to customers (in billions)	99.1	98.7
Risk-weighted assets (risk exposure amount; in billions)	35.2	34.8
FTEs	5,725	5,844

Loans and receivables - customers decreased by EUR 0.3 billion compared with 31 December 2015, to EUR 153.9 billion. The Retail Banking mortgage portfolio declined marginally compared with 31 December 2015. The market share in new mortgage production increased to 17% in Q1 2016. Redemptions were higher due to an increase in refinancing and relocation. Low interest rates and increased awareness among homeowners of the possibility of residual debt are still incentives for extra repayments. Contractual repayments are gradually growing, following amended tax regulations. As a result, redemptions exceeded new mortgage production.

Due to customers showed a marginal increase of EUR 0.4 billion compared with 31 December 2015 to EUR 99.1 billion. MoneYou deposits recorded outside the Netherlands showed a limited increase.

Client Assets

(in billions)	31 March 2016	31 December 2015
Cash	99.1	98.7
Securities	15.2	15.6
Total Client Assets	**114.3**	**114.3**

Private Banking

Operating results

(in millions)	Q1 2016	Q1 2015	Change	Q4 2015	Change
Net interest income	158	152	4%	149	6%
Net fee and commission income	144	159	-9%	149	-3%
Other operating income	17	30	-45%	20	-18%
Operating income	**318**	**341**	**-7%**	**318**	**0%**
Personnel expenses	126	122	3%	119	6%
Other expenses	134	122	10%	160	-17%
Operating expenses	**260**	**244**	**6%**	**279**	**-7%**
Operating result	**59**	**97**	**-40%**	**39**	**52%**
Impairment charges on loans and other receivables	5	- 9		6	-17%
Operating profit/(loss) before taxation	**54**	**106**	**-49%**	**33**	**64%**
Income tax expense	10	19	-45%	6	65%
Underlying profit/(loss) for the period	**43**	**87**	**-50%**	**26**	**64%**
Special items					
Reported profit/(loss) for the period	**43**	**87**	**-50%**	**26**	**64%**

Private Banking's **profit for the period** decreased by EUR 44 million compared with the very good first quarter of 2015 to EUR 43 million in Q1 2016. The decrease was due to a combination of lower operating income, increased expenses and higher loan impairments. Profit for the period increased by EUR 17 million compared with Q4 2015, due largely to lower operating expenses (partly related to regulatory levies).

Net interest income went up to EUR 158 million in Q1 2016, an improvement of EUR 6 million compared with Q1 2015. Both average deposit volumes and margins increased slightly compared with Q1 2015.

Net fee and commission income decreased to EUR 144 million in Q1 2016, a decline of EUR 15 million compared with the same quarter of the previous year. Stock markets declined in the first two months of 2016, having a negative impact on average client assets.

Other operating income in Q1 2016 was EUR 13 million lower, due mainly to several positive one-offs in Q1 2015 and lower trading income.

Personnel expenses increased to EUR 126 million in Q1 2016, up by EUR 4 million compared with Q1 2015. Personnel expenses in the international activities in particular were higher, due partly to a rise in the number of FTEs. Personnel expenses were EUR 7 million lower in Q4 2015 due to a positive one-off release.

Other expenses increased by EUR 12 million compared with Q1 2015, which was partly related to regulatory levies (EUR 5 million) and higher project costs. Expenses in the fourth quarter of 2015 were higher as all regulatory levies in 2015 were booked in Q4 (EUR 11 million). That quarter also included high project costs related to enhancing client centricity and client documentation and continuous improvement of products, services and IT processes.

Operating result decreased by EUR 38 million to EUR 59 million in Q1 2016 compared with EUR 97 million in Q1 2015. The **cost/income ratio** for Private Banking amounted to 81.6% in Q1 2016, an increase of 10.1 percentage points compared with Q1 2015. If the regulatory levies are divided equally over the four quarters, the cost/income ratio would be 81.4% compared with 72.2% in Q1 2015.

Impairment charges on loans and other receivables increased to an addition of EUR 5 million compared with a release of EUR 9 million in Q1 2015.

Other indicators

	Q1 2016	Q1 2015	Q4 2015
Underlying cost/income ratio	81.6%	71.5%	87.9%
Underlying cost of risk (in bps)[1]	11	- 20	14
Gross margin on client assets (in bps)	66	68	64

[1] Annualised impairment charges on Loans and receivables - customers for the period divided by the average Loans and receivables - customers on basis gross carrying amount and excluding fair value adjustment from hedge accounting.

	31 March 2016	31 December 2015
Loan-to-Deposit ratio	25%	25%
Loans and receivables - customers (in billions)	16.0	16.6
Due to customers (in billions)	65.2	66.5
Risk-weighted assets (risk exposure amount; in billions)	8.3	8.2
FTEs	3,763	3,722

Loans and receivables - customers declined to EUR 16.0 billion, down by EUR 0.6 billion compared with 31 December 2015.

Due to customers also declined from the level at 31 December 2015, coming to EUR 65.2 billion.

Client Assets

(in billions)	Q1 2016	Q4 2015	Q1 2015
Opening balance Client Assets	**199.2**	**191.3**	**190.6**
Net new assets	-1.1	-0.4	3.7
Market performance	-4.5	8.3	14.7
Closing balance Client Assets	**193.7**	**199.2**	**209.0**
	31 March 2016	31 December 2015	31 March 2015
Breakdown by type			
Cash	65.3	66.5	66.3
Securities	128.4	132.8	142.7
- of which Custody	31.6	35.0	39.5
Total	**193.7**	**199.2**	**209.0**
Breakdown by geography			
The Netherlands	47%	48%	48%
Rest of Europe	44%	44%	43%
Rest of the world	8%	8%	9%

Client assets declined to EUR 193.7 billion at 31 March 2016 compared with EUR 199.2 billion at 31 December 2015. This was due mainly to negative market performance in Q1 2016.

Net new assets (NNA) in Q1 2016 was EUR 1.1 billion negative as net outflow was recorded in the Netherlands, which was partly offset by net inflow in the international activities. The NNA in Q4 2015 was EUR 0.4 billion negative.

Corporate Banking

Operating results

(in millions)	Q1 2016	Q1 2015	Change	Q4 2015	Change
Net interest income	548	538	2%	545	1%
Net fee and commission income	190	192	-1%	186	2%
Other operating income	- 29	73		3	
Operating income	**708**	**803**	**-12%**	**734**	**-4%**
Personnel expenses	162	182	-11%	166	-2%
Other expenses	336	274	23%	418	-20%
Operating expenses	**498**	**456**	**9%**	**584**	**-15%**
Operating result	**211**	**347**	**-39%**	**151**	**40%**
Impairment charges on loans and other receivables	- 26	229		109	
Operating profit/(loss) before taxation	**237**	**119**	**99%**	**42**	
Income tax expense	63	14		17	
Underlying profit/(loss) for the period	**173**	**105**	**65%**	**24**	
Special items					
Reported profit/(loss) for the period	**173**	**105**	**65%**	**24**	

Corporate Banking's **profit for the period** improved by EUR 68 million compared with Q1 2015 to EUR 173 million in Q1 2016. This was due mainly to loan impairment releases, which more than offset the decrease in other operating income, mainly related to CVA/DVA/FVA and Equity Participations, and increased regulatory levies. Profit for the period improved compared with Q4 2015, also as a result of impairment releases in combination with lower regulatory levies.

Net interest income increased marginally to EUR 548 million in Q1 2016 compared with Q1 2015. Both Commercial Clients and Capital Markets Solutions showed growth, while International Clients remained flat.

Net interest income at Commercial Clients increased by EUR 4 million to EUR 337 million in Q1 2016. Margins on loans and average deposit volumes increased, while average loan volumes decreased compared with the same quarter in 2015, partly impacted by the transfer of the structured public sector loans portfolio to Group Functions in Q4 2015.

Net interest income at International Clients remained almost unchanged compared with Q1 2015, coming to EUR 176 million. Net interest income at ECT Clients improved compared with the level at Q1 2015, which was offset by decreasing deposit margins.

Net interest income in Capital Markets Solutions increased by EUR 6 million to EUR 34 million in Q1 2016 mainly due to improved net interest income at Clearing.

Net fee and commission income showed a marginal decrease of EUR 2 million compared with Q1 2015, to EUR 190 million. The strong increase at Clearing, resulting from volatility in the financial markets in Q1 2016, almost fully compensated for lower fees at the other businesses of Corporate Banking, which were negatively impacted by market volatility.

Other operating income declined by EUR 102 million to EUR 29 million negative in Q1 2016. The decrease was mainly driven by negative CVA/FVA/DVA results (EUR 49 million negative current quarter versus EUR 10 million negative in Q1 2015), lower revaluation results of Equity Participations (nil in Q1 2016 versus EUR 29 million in Q1 2015 and EUR 30 million in Q4 2015) at International Clients and lower results from Sales & Trading activities. The decrease compared with Q4 2015 was driven by the same factors (CVA/DVA/FVA in Q4 2015 was EUR 15 million). This was, however, partly offset by an additional provision in Q4 2015 of approximately EUR 75 million at Capital Markets Solutions for an identified group of SMEs with possible derivative-related issues. As per 31 March 2016 the total provision amounted to approximately EUR 120 million.

Personnel expenses decreased to EUR 162 million in Q1 2016, down by EUR 20 million compared with the same period of 2015. This was due mainly to a restructuring provision at Commercial Clients in Q1 2015. The number of FTEs remained stable compared with Q1 2015.

Other expenses increased by EUR 62 million compared with Q1 2015 which was due mainly to the **regulatory levies** of EUR 50 million. The remainder of the increase was related to higher (allocated) project costs. The significant decrease of EUR 82 million compared with Q4 2015 was almost completely related to lower regulatory levies (EUR 50 million versus EUR 122 million).

Operating result was EUR 211 million in Q1 2016, down EUR 136 million compared with the same period of 2015. The **cost/income ratio** increased to 70.2% in Q1 2016, from 56.7% in Q1 2015. If the regulatory levies were divided equally over the four quarters, the cost/income ratio would be 66.9% in Q1 2016 (60.5% in Q1 2015).

Impairment charges on loans and other receivables amounted to a release of EUR 26 million, compared with an addition of EUR 229 million in Q1 2015.

Impairment charges in Commercial Clients decreased by EUR 241 million to a release of EUR 58 million in Q1 2016. The decline is the result of lower new additions and an IBNI release of EUR 61 million in Q1 2016 versus a small IBNI release in Q1 2015. Moreover, Q1 2015 included a single large addition of approximately EUR 100 million.

Loan impairments in International Clients were EUR 33 million, which is in line with Q1 2015 but lower than Q4 2015. The impairment charges for ECT amounted to EUR 48 million compared with EUR 17 million in the same period of 2015 and EUR 31 million in Q4 2015.

Loan impairments in Capital Markets Solutions amounted to zero.

Introduction | Financial results | Risk, funding & capital information | Other

Other indicators

	Q1 2016	Q1 2015	Q4 2015
Underlying cost/income ratio	70.2%	56.7%	79.5%
Underlying cost of risk (in bps)[1]	-12	104	50

[1] Annualised impairment charges on Loans and receivables - customers for the period divided by the average Loans and receivables - customers on basis gross carrying amount and excluding fair value adjustment from hedge accounting.

	31 March 2016	31 December 2015
Loan-to-Deposit ratio	123%	121%
Loans and receivables - customers (in billions)	85.3	80.6
Due to customers (in billions)[1]	64.2	62.9
Risk-weighted assets (risk exposure amount; in billions)	52.9	55.1
FTEs	4,995	4,959

[1] Due to Customers included an internal transfer of deposits from both Commercial Clients and International Clients to Capital Markets Solutions. For Q1 2016 this transfer was approximately EUR 2 billion.

Loans and receivables - customers increased to EUR 85.3 billion at 31 March 2016 compared with EUR 80.6 billion at 31 December 2015. The increase was driven mainly by Capital Markets Solutions and, to a lesser extent, by International Clients (partly ECT). Volumes at Commercial Clients remained stable.

Due to customers amounted to EUR 64.2 billion at 31 March 2016, up EUR 1.3 billion compared with 31 December 2015. This was mainly the result of increased deposit volumes at Commercial Clients.

Corporate Banking - Commercial Clients

Operating results

(in millions)	Q1 2016	Q1 2015	Change	Q4 2015	Change
Net interest income	337	333	1%	340	-1%
Net fee and commission income	50	53	-5%	50	1%
Other operating income	6	9	-35%	-9	
Operating income	**393**	**395**	**-0%**	**381**	**3%**
Operating expenses	**222**	**209**	**6%**	**248**	**-11%**
Operating result	**172**	**186**	**-8%**	**133**	**29%**
Impairment charges on loans and other receivables	-58	183		3	
Operating profit/(loss) before taxation	**230**	**3**		**130**	**77%**
Income tax expense	57			42	38%
Underlying profit/(loss) for the period	**173**	**3**		**89**	**95%**
Special items					
Reported profit/(loss) for the period	**173**	**3**		**89**	**95%**

Other indicators

	Q1 2016	Q1 2015	Q4 2015
Underlying cost/income ratio	56.3%	52.9%	65.0%
Underlying cost of risk (in bps)[1]	-62	180	3

[1] Annualised impairment charges on Loans and receivables - customers for the period divided by the average Loans and receivables - customers on basis gross carrying amount and excluding fair value adjustment from hedge accounting.

	31 March 2016	31 December 2015
Loans and receivables - customers (in billions)	35.2	35.3
Due to customers (in billions)[1]	35.6	34.8
Risk-weighted assets (risk exposure amount; in billions)	21.1	21.5

[1] Due to Customers included an internal transfer of deposits from Commercial Clients to Capital Markets Solutions.

Corporate Banking - International Clients

Operating results

(in millions)	Q1 2016	Q1 2015	Change	Q4 2015	Change
Net interest income	176	177	-0%	176	0%
Net fee and commission income	56	62	-10%	66	-15%
Other operating income	5	31	-84%	31	-83%
Operating income	**237**	**270**	**-12%**	**272**	**-13%**
Operating expenses	**131**	**127**	**3%**	**157**	**-17%**
Operating result	**106**	**143**	**-26%**	**115**	**-8%**
Impairment charges on loans and other receivables	33	34	-5%	103	-68%
Operating profit/(loss) before taxation	**73**	**109**	**-33%**	**12**	
Income tax expense	20	11	81%	-5	
Underlying profit/(loss) for the period	**53**	**98**	**-45%**	**17**	
Special items					
Reported profit/(loss) for the period	**53**	**98**	**-45%**	**17**	

Other indicators

	Q1 2016	Q1 2015	Q4 2015
Underlying cost/income ratio	55.3%	47.1%	57.8%
Underlying cost of risk (in bps)[1]	38	39	121

[1] Annualised impairment charges on Loans and receivables - customers for the period divided by the average Loans and receivables - customers on basis gross carrying amount and excluding fair value adjustment from hedge accounting.

	31 March 2016	31 December 2015
Loans and receivables - customers (in billions)	33.3	32.2
Due to customers (in billions)[1]	16.6	19.0
Risk-weighted assets (risk exposure amount; in billions)	22.2	22.6

[1] Due to Customers included an internal transfer of deposits from International Clients to Capital Markets Solutions.

Corporate Banking - Capital Markets Solutions

Operating results

(in millions)	Q1 2016	Q1 2015	Change	Q4 2015	Change
Net interest income	34	28	24%	29	19%
Net fee and commission income	83	77	8%	71	18%
Other operating income	-40	33		-18	-125%
Operating income	**78**	**137**	**-43%**	**82**	**-5%**
Operating expenses	**145**	**119**	**22%**	**179**	**-19%**
Operating result	**-67**	**19**		**-97**	**31%**
Impairment charges on loans and other receivables	-0	12		4	
Operating profit/(loss) before taxation	**-67**	**7**		**-101**	**34%**
Income tax expense	-14	3		-19	29%
Underlying profit/(loss) for the period	**-53**	**4**		**-81**	**35%**
Special items					
Reported profit/(loss) for the period	**-53**	**4**		**-81**	**35%**

Other indicators

	Q1 2016	Q1 2015	Q4 2015
Underlying cost/income ratio	185.5%	86.2%	218.8%
Underlying cost of risk (in bps)[1]	-2	33	13

[1] Annualised impairment charges on Loans and receivables - customers for the period divided by the average Loans and receivables - customers on basis gross carrying amount and excluding fair value adjustment from hedge accounting.

	31 March 2016	31 December 2015
Financial assets held for trading (in billions)	3.4	1.7
Loans and receivables - customers (in billions)	16.8	13.1
Financial liabilities held for trading (in billions)	1.5	0.5
Due to customers (in billions)[1]	12.0	9.1
Risk-weighted assets (risk exposure amount; in billions)	9.6	11.0

[1] Due to Customers included an internal transfer of deposits from both Commercial Clients and International Clients to Capital Markets Solutions.

Group Functions

Operating results

(in millions)	Q1 2016	Q1 2015	Change	Q4 2015	Change
Net interest income	10	19	-46%	-2	
Net fee and commission income	-11	-14	20%	-13	19%
Other operating income	-1	41		73	
Operating income	**-2**	**46**		**58**	
Personnel expenses	211	190	11%	234	-10%
Other expenses	-200	-164	-22%	-184	-8%
Operating expenses	**11**	**26**	**-59%**	**49**	**-78%**
Operating result	**-12**	**20**		**9**	
Impairment charges on loans and other receivables	-3	-2	-36%		
Operating profit before taxation	**-9**	**22**		**9**	
Income tax expense	8	9	-7%	15	-45%
Underlying profit/(loss) for the period	**-18**	**13**		**-6**	
Special items					
Reported profit/(loss) for the period	**-18**	**13**		**-6**	

Group Functions' **profit for the period** was a loss of EUR 18 million in Q1 2016 compared with a profit of EUR 13 million in the same period of 2015.

Net interest income declined to EUR 10 million in the first quarter of 2016 compared with EUR 19 million in Q1 2015. The decrease in net interest income was partly due to higher liquidity buffer costs.

Net fee and commission income increased modestly by EUR 3 million.

Other operating income was almost nil and decreased by EUR 42 million compared with the same period of 2015. This was mainly the result of lower hedge accounting-related results and no CVA/DVA results in 2016 (versus EUR 18 million positive CVA/DVA in Q1 2015).

Personnel expenses increased by EUR 21 million to EUR 211 million in Q1 2016. This was mainly due to several smaller releases from personnel provisions in Q1 2015.

Other expenses decreased by EUR 36 million compared with the same period in 2015. Group Functions had higher project costs related to enhancing client centricity and continuous improvement of products, services and IT processes (including Retail Digitalisation programmes). This was, however, offset by the fact that more operating expenses were allocated to the commercial segments (visible as negative expenses).

Other indicators

	31 March 2016	31 December 2015
Securities financing - assets	26.7	15.5
Loans and receivables - customers (in billions)	8.5	7.9
Securities financing - liabilities	21.2	10.2
Due to customers (in billions)	1.3	2.3
Risk-weighted assets (risk exposure amount; in billions)	10.6	9.9
FTEs	7,515	7,522

Securities financing assets grew by EUR 11.2 billion and **Securities financing liabilities** grew by EUR 11.0 billion compared with 31 December 2015. Both increases were related to the cyclicality of the business.

Loans and receivable - customers increased by EUR 0.6 billion to EUR 8.5 billion at 31 March 2016.

Additional financial information

Overview of results in the last five quarters

The following table provides an overview of the quarterly results.

(in millions)	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net interest income	1,545	1,497	1,524	1,511	1,545
Net fee and commission income	435	454	449	456	470
Other operating income	-10	101	136	159	154
Operating income	**1,971**	**2,052**	**2,109**	**2,126**	**2,168**
Personnel expenses	617	640	619	615	619
Other expenses	702	889	615	632	600
Operating expenses	**1,319**	**1,528**	**1,234**	**1,247**	**1,219**
Operating result	**651**	**524**	**875**	**879**	**949**
Impairment charges on loans and other receivables	2	124	94	34	252
Operating profit/(loss) before taxation	**650**	**399**	**781**	**845**	**697**
Income tax expense	175	128	272	244	154
Underlying profit/(loss) for the period	**475**	**272**	**509**	**600**	**543**
Special items					
Reported profit/(loss) for the period	**475**	**272**	**509**	**600**	**543**

To provide a better understanding of the underlying results, ABN AMRO adjusts reported results for defined special items and material divestments.

Special items are material and non-recurring items which are not related to normal business activities.

No special items or material divestments occurred in the reported periods in this report. Underlying results were therefore equal to reported results.

Selected financial information

Condensed consolidated income statement

(in millions)	Q1 2016	Q1 2015	Q4 2015
Income			
Interest income	3,232	3,413	3,178
Interest expense	1,686	1,868	1,681
Net interest income	**1,545**	**1,545**	**1,497**
Fee and commission income	785	761	772
Fee and commission expense	349	291	318
Net fee and commission income	**435**	**470**	**454**
Net trading income	-16	64	-3
Share of result in equity accounted investments	-2	-5	-13
Other income	7	94	118
Operating income	**1,971**	**2,168**	**2,052**
Expenses			
Personnel expenses	617	619	640
General and administrative expenses	658	558	840
Depreciation and amortisation of tangible and intangible assets	44	42	49
Operating expenses	**1,319**	**1,219**	**1,528**
Impairment charges on loans and other receivables	2	252	124
Total expenses	**1,321**	**1,471**	**1,653**
Operating profit/(loss) before taxation	**650**	**697**	**399**
Income tax expense	175	154	128
Profit/(loss) for the period	**475**	**543**	**272**
Attributable to:			
Owners of the company	474	543	267
- of which available for AT 1 capital securities	11		11
Non-controlling interests	1	1	5

Consolidated statement of comprehensive income

(in millions)	Q1 2016	Q1 2015	Q4 2015
Profit/(loss) for the period	**475**	**543**	**272**
Other comprehensive income:			
Items that will not be reclassified to the income statement			
Remeasurement gains / (losses) on defined benefit plans		-4	-1
Items that will not be reclassified to the income statement before taxation		**-4**	**-1**
Income tax relating to items that will not be reclassified to the income statement		-1	-2
Items that will not be reclassified to the income statement after taxation		**-3**	**2**
Items that may be reclassified to the income statement			
Currency translation reserve	-68	165	44
Available-for-sale reserve	53	329	97
Cash flow hedge reserve	-47	-333	127
Share of other comprehensive income of associates	-1	5	5
Other changes		-1	-0
Other comprehensive income for the period before taxation	**-63**	**165**	**273**
Income tax relating to components of other comprehensive income		-2	56
Other comprehensive income for the period after taxation	**-63**	**167**	**217**
Total comprehensive income/(expense) for the period after taxation	**412**	**707**	**490**
Total comprehensive income attributable to:			
Owners of the company	411	706	486
- of which available for AT 1 capital securities	11		11
Non-controlling interests	1	1	5

Consolidated statement of financial position

(in millions)	31 March 2016	31 December 2015
Assets		
Cash and balances at central banks	23,883	26,195
Financial assets held for trading	3,412	1,706
Derivatives	23,171	19,138
Financial investments	42,326	40,542
Securities financing	33,592	20,062
Loans and receivables - banks	16,590	15,680
Residential mortgages	149,882	150,009
Consumer loans	14,246	14,587
Corporate loans	91,629	88,367
Other loans and receivables - customers	7,909	6,357
Equity accounted investments	810	778
Property and equipment	1,358	1,366
Goodwill and other intangible assets	259	263
Tax assets	369	345
Other assets	5,691	4,925
Total assets	**415,128**	**390,317**
Liabilities		
Financial liabilities held for trading	1,504	459
Derivatives	27,294	22,425
Securities financing	23,076	11,372
Due to banks	17,488	14,630
Demand deposits	118,091	119,109
Saving deposits	92,562	92,472
Time deposits	19,087	18,555
Other due to customers	153	160
Issued debt	79,383	76,207
Subordinated liabilities	10,106	9,708
Provisions	1,158	1,256
Tax liabilities	803	650
Other liabilities	6,461	5,729
Total liabilities	**397,166**	**372,733**
Equity		
Share capital	940	940
Share premium	12,970	12,970
Other reserves (incl retained earnings/profit for the period)	3,511	3,059
Other components of equity	-457	-394
Equity attributable to the owners of the parent company	**16,965**	**16,575**
Capital securities	993	993
Equity attributable to non-controlling interests	5	17
Total equity	**17,963**	**17,584**
Total liabilities and equity	**415,128**	**390,317**

Condensed consolidated statement of changes in equity

(in millions)	Share capital	Share premium reserve	Other reserves including retained earnings	Other comprehensive income	Net profit/ (loss) attributable to shareholders	Total	Capital securities	Non-controlling interests	Total equity
Balance at 1 January 2015	**940**	**12,970**	**635**	**-814**	**1,134**	**14,865**		**12**	**14,877**
Total comprehensive income			-1	165	543	706		1	707
Transfer			1,134		-1,134				
Balance at 31 March 2015	**940**	**12,970**	**1,768**	**-649**	**543**	**15,571**		**13**	**15,584**
Balance at 1 January 2016	**940**	**12,970**	**1,140**	**-394**	**1,919**	**16,575**	**993**	**17**	**17,584**
Total comprehensive income				-63	474	411		1	412
Transfer			1,919		-1,919				
Dividend								-12	-12
Interest AT 1 capital securities			-22			-22			-22
Balance at 31 March 2016	**940**	**12,970**	**3,037**	**-457**	**474**	**16,965**	**993**	**5**	**17,963**

Specification of other comprehensive income is as follows:

(in millions)	Remeasurement gains/(losses) on post-retirement benefit plans	Currency translation reserve	Available-for-sale reserve	Cash flow hedge reserve	Share of OCI of associates and joint ventures	Total
Balance at 1 January 2015	**-38**	**36**	**329**	**-1,223**	**82**	**-814**
Net gains/(losses) arising during the period	-4	165	345	-349	5	161
Less: Net realised gains/(losses) included in income statement			16	-17		-1
Net gains/(losses) in equity	-4	165	329	-333	5	162
Related income tax	-1		81	-83		-3
Balance at 31 March 2015	**-42**	**201**	**577**	**-1,472**	**87**	**-649**
Balance at 1 January 2016	**-41**	**137**	**473**	**-1,056**	**93**	**-394**
Net gains/(losses) arising during the period		-68	55	-39	-1	-52
Less: Net realised gains/(losses) included in income statement			2	8		10
Net gains/(losses) in equity		**-68**	**53**	**-47**	**-1**	**-63**
Related income tax			12	-12		
Balance at 31 March 2016	**-40**	**69**	**514**	**-1,091**	**92**	**-457**

Risk, funding & capital information

Key developments

Key figures

(in millions)	31 March 2016	31 December 2015
Total loans and receivables - customers, gross excluding Fair value adjustments	262,262	258,824
Of which Residential mortgages	146,631	146,932
Of which Consumer loans	14,769	15,147
Of which Corporate loans	87,311	84,864
Of which Other loans and receivables - customers	13,550	11,881
Total Exposure at Default (EAD)	373,273	369,169
Total RWA (REA)/total EAD	28.7%	29.3%
Regulatory capital		
Total RWA (REA)	107,025	108,001
Of which Credit risk[1]	86,727	86,063
Of which Operational risk	17,003	16,227
Of which Market risk	3,295	5,710
Fully-loaded CET1 ratio	15.8%	15.5%
Fully-loaded leverage ratio	3.7%	3.8%
Credit quality indicators		
Forbearance ratio[2]	3.3%	3.5%
Past due ratio[2]	1.7%	1.9%
Impaired ratio[2]	2.5%	2.7%
Coverage ratio[2]	56.1%	55.8%
Liquidity and funding indicators		
Loan-to-Deposit ratio	109.7%	108.9%
LCR	>100%	>100%
NSFR	>100%	>100%

1 RWA (REA) for credit value adjustment (CVA) is included in credit risk. CVA per 31 March amounted to EUR 1.2 billion (31 December 2015 EUR 1.1 billion).
2 Loans and receivables - customers only.

	Q1 2016	Q1 2015	Q4 2015
Underlying Cost of risk (in bps)[1]	0	38	19

1 Annualised impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers on basis of gross carrying amount and excluding fair value adjustment from hedge accounting.

Impairment charges decreased sharply to EUR 2 million in the first quarter of 2016 compared with EUR 252 million in the same period last year, resulting in a cost of risk of 0bps. The decrease included a release for IBNI of EUR 81 million in Q1 2016, compared with an IBNI release of EUR 31 million in Q1 2015. Besides the IBNI release, the decrease in Impairment charges was largely attributable to the Corporate loans portfolio and was a reflection of the economic recovery in the Netherlands.

The Residential mortgage portfolio amounted to EUR 146.6 billion at 31 March 2016, a minor decline compared with year-end 2015 caused by redemptions slightly exceeding new mortgage production. A small decrease was also noted in the Consumer loans portfolio in the first quarter of 2016. The Corporate loan portfolio grew by EUR 2.4 billion to EUR 87.3 billion at 31 March 2016, compared with EUR 84.9 billion at year-end. This increase was mainly attributable to an increase in business volume in Capital Market Solutions and, to a lesser extent, in International Clients.

Total RWA decreased by EUR 1.0 billion to EUR 107.0 billion at 31 March 2016, compared with EUR 108.0 billion at 31 December 2015. This movement was mainly related to market risk. ABN AMRO received approval from the regulator to use the Internal Model Approach (IMA) as from 1 January 2016. As a result, the market risk RWA is reported based on internal models rather than on the standardised calculation. RWA for market risk declined by EUR 2.4 billion in the first quarter of 2016, partly offset by operational risk of EUR 0.8 billion and credit risk of EUR 0.7 billion.

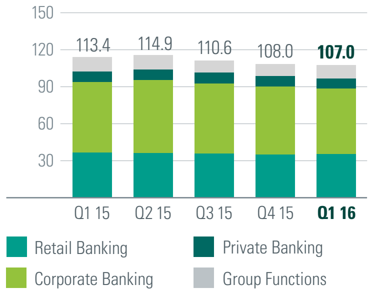
Total Exposure at Default rose by EUR 4.1 billion, amounting to EUR 373.3 billion at 31 March 2016, compared with EUR 369.2 billion at 31 December 2015. The increase was mainly attributable to an increase in business volume in Capital Market Solutions and, to a lesser extent, to Group Functions.

The forbearance ratio improved in the first quarter, to 3.3% at 31 March 2016, compared with 3.5% at 31 December 2015. The ratio declined mainly as a result of excluding ‘cease to be forborne’ assets. Other credit quality indicators such as past due, impaired and coverage ratio improved as a result of the economic recovery in the Netherlands.

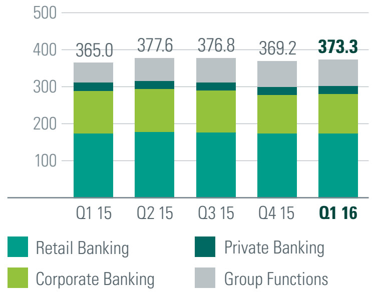
The Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) both remained above 100% in the first quarter of 2016. This is in line with the bank’s targeted early compliance with future regulatory requirements. The Loan-to-Deposit ratio increased from 109% to 110%, mainly due to an increase in client loans within Corporate Banking.

Quarterly developments

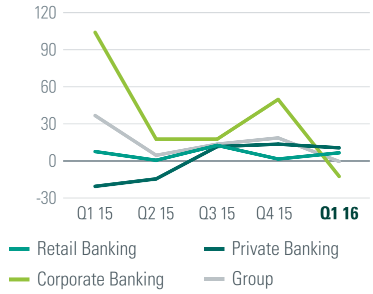
RWA (REA) per business segment
(end-of-period, in billions)



EAD per business segment
(end-of-period, in billions)

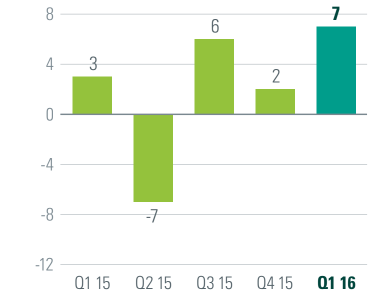


Cost of risk per business segment
(end-of-period, in bps)

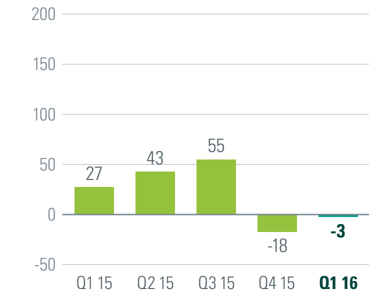


Underlying cost of risk per product[1]

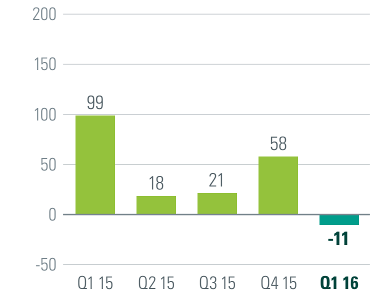
Residential mortgages (in bps)



Consumer loans (in bps)

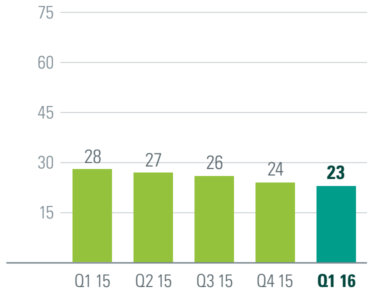


Corporate loans (in bps)

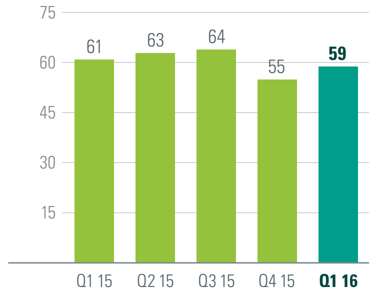


Coverage ratio

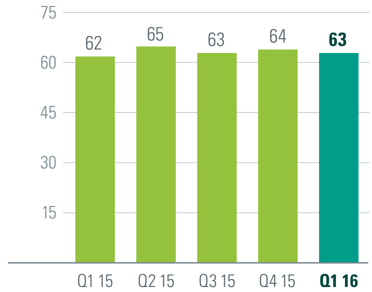
Residential mortgages (in %)



Consumer loans (in %)

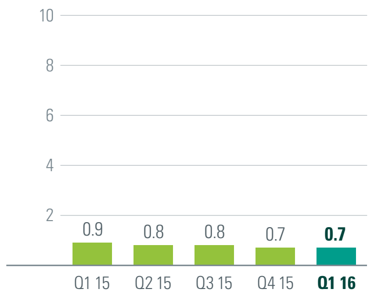


Corporate loans (in %)

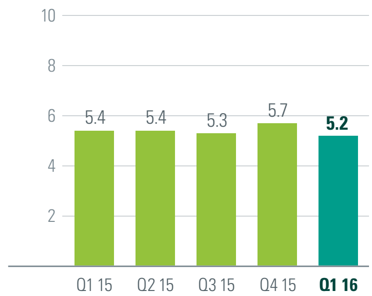


Impaired ratio

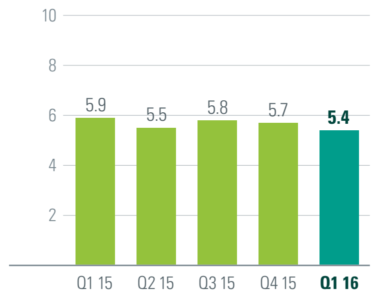
Residential mortgages (in %)



Consumer loans (in %)



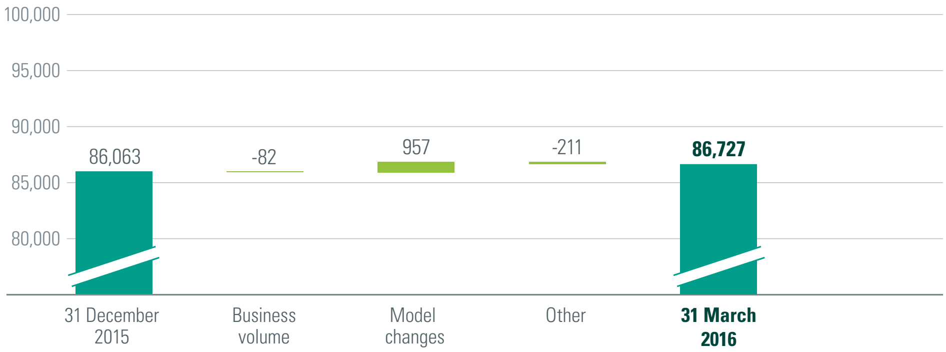
Corporate loans (in %)



[1] Annualised impairment charges on Loans and receivables – customers for the period divided by average Loans and receivables – customers excluding fair value adjustments for hedge accounting.

Credit risk

RWA (REA) flow statement credit risk
(in millions)



RWA increased slightly from EUR 86.1 billion at 31 December 2015 to EUR 86.7 billion at 31 March 2016. The increase was the result of model changes, mainly within Retail Banking.

Reporting scope risk

The table below provides an overview of the figures reported in the consolidated balance sheet (net) and the figures reported in the credit risk section (gross).

Reporting scope figures

	31 March 2016			31 December 2015		
(in millions)	Gross carrying amount	Loan impairment allowance	Carrying amount	Gross carrying amount	Loan impairment allowance	Carrying amount
Loans and receivables - banks	**16,593**	**3**	**16,590**	**15,682**	**2**	**15,680**
Residential mortgages	150,192	311	149,882	150,333	324	150,009
Less: Fair value adjustment from hedge accounting on residential mortgages	3,561		3,561	3,401		3,401
Residential mortgages, excluding fair value adjustments	**146,631**	**311**	**146,321**	**146,932**	**324**	**146,608**
Consumer loans	**14,769**	**523**	**14,246**	**15,147**	**561**	**14,587**
Corporate loans	89,261	3,188	86,073	86,312	3,380	82,932
Less: Fair value adjustment from hedge accounting on corporate loans	1,950		1,950	1,448		1,448
Corporate loans, excluding fair value adjustments	**87,311**	**3,188**	**84,124**	**84,864**	**3,380**	**81,484**
Other loans and receivables - customers[1]	13,551	86	13,465	11,882	90	11,792
Less: Fair value adjustment from hedge accounting on other loans and receivables - customers	1		1	1		1
Other loans and receivables - customers, excluding fair value adjustments[1]	**13,550**	**86**	**13,464**	**11,881**	**90**	**11,791**
Total loans and receivables - customers, excluding fair value adjustments	**262,262**	**4,107**	**258,155**	**258,824**	**4,355**	**254,469**
Fair value adjustments on Loans and receivables - customers	5,512		5,512	4,850		4,850
Total loans and receivables - customers	**267,773**	**4,107**	**263,666**	**263,674**	**4,355**	**259,319**
Total loans and receivables, excluding fair value adjustments	**278,855**	**4,110**	**274,744**	**274,506**	**4,357**	**270,149**
Total fair value adjustments on Loans and receivables	5,512		5,512	4,850		4,850
Total loans and receivables	**284,366**	**4,110**	**280,256**	**279,356**	**4,357**	**274,998**
Other			134,873			115,318
Total assets			**415,128**			**390,317**

[1] Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.

Credit risk mitigation

Collateral & guarantees received as security as at 31 March 2016

								31 March 2016
		Collateral received						
(in millions)	Carrying amount	Master netting agreement[4]	Financial instruments	Property & equipment	Other collateral and guarantees	Total risk mitigation	Surplus collateral[5]	Net exposure[6]
Loans and receivables - banks	**16,590**	**8,505**	**1,531**		**12**	**10,048**	**1,109**	**7,651**
Loans and receivables - customers								
Residential mortgages[1,2]	146,321		134	171,204	7,650	178,988	46,569	13,901
Consumer loans[1]	14,246		6,334	5,258	50	11,642	4,453	7,058
Corporate loans[1]	84,124	3,981	28,357	40,855	12,607	85,800	21,628	19,952
Other loans and receivables - customers[1,3]	13,464	1,116	2,901	3,049	1,366	8,432	924	5,956
Fair value adjustment from hedge accounting	5,512							5,512
Total Loans and receivables - customers	**263,666**	**5,097**	**37,725**	**220,366**	**21,674**	**284,863**	**73,575**	**52,378**
Total Loans and receivables	**280,256**	**13,602**	**39,257**	**220,366**	**21,686**	**294,911**	**74,684**	**60,029**

1 Carrying amount includes loan impairment allowances.
2 As of 31 March 2016, we revised our allocation of collateral values for residential mortgages. The year-end 2015 figures have been adjusted for comparison purposes.
3 Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.
4 The Master netting agreement amount presents legal netting rights and cash collateral.
5 Surplus collateral is the amount of over-collateralisation, calculated on an individual basis.
6 Net exposure represents the portfolio corrected for the surplus amount and gives a view on the potential shortfall in collateral on the total portfolio.

Collateral & guarantees received as security as at 31 December 2015

								31 December 2015
		Collateral received						
(in millions)	Carrying amount	Master netting agreement[4]	Financial instruments	Property & equipment	Other collateral and guarantees	Total risk mitigation	Surplus collateral[5]	Net exposure[6]
Loans and receivables - banks	**15,680**	**7,282**	**1,742**		**4**	**9,027**	**1,332**	**7,984**
Loans and receivables - customers								
Residential mortgages[1,2]	146,608		160	170,418	7,887	178,465	45,877	14,020
Consumer loans[1]	14,587		6,474	5,419	53	11,946	4,540	7,181
Corporate loans[1]	81,484	3,920	29,721	42,594	13,006	89,240	24,891	17,135
Other loans and receivables - customers[1,3]	11,791	748	2,590	3,006	1,406	7,750	842	4,883
Fair value adjustment from hedge accounting	4,850							4,850
Total Loans and receivables - customers	**259,319**	**4,668**	**38,944**	**221,437**	**22,352**	**287,402**	**76,151**	**48,068**
Total Loans and receivables	**274,998**	**11,950**	**40,686**	**221,437**	**22,356**	**296,429**	**77,483**	**56,053**

1 Carrying amount includes loan impairment allowances.
2 As of 31 March 2016, we revised our allocation of collateral values for residential mortgages. The year-end 2015 figures have been adjusted for comparison purposes.
3 Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.
4 The Master netting agreement amount presents legal netting rights and cash collateral.
5 Surplus collateral is the amount of over-collateralisation, calculated on an individual basis.
6 Net exposure represents the portfolio corrected for the surplus amount and gives a view on the potential shortfall in collateral on the total portfolio.

First-quarter developments

Total net exposure of Total Loans and receivables - customers increased by EUR 4.3 billion to EUR 52.4 billion at 31 March 2016, compared with EUR 48.1 billion at 31 December 2015. The increase in net exposure was mainly driven by developments in the Corporate loan portfolio.

As of 2016, we revised the allocation of collateral values for Residential mortgages. Comparative figures were adjusted. The impact of the revised allocation of collateral values had an impact on the total risk mitigation, but a marginal impact on the net exposure.

The net exposure of the Residential Mortgage portfolio remained relatively stable. The total risk mitigation increased slightly to EUR 179.0 billion, mainly as a result of increased collateral in the form of property & equipment, in line with the improved Dutch housing market.

Net exposure for Corporate loans increased by EUR 2.8 billion, amounting to EUR 20.0 billion at 31 March 2016 compared with EUR 17.1 billion at year-end 2015. The financial instruments for Corporate loans decreased by EUR 1.4 billion, mainly due to Clearing, coming out to EUR 28.4 billion at 31 March 2016 compared with EUR 29.7 billion at 31 December 2015.

The net exposure of Other loans and receivables – customers increased by EUR 1.1 billion to EUR 6.0 billion at 31 March 2016. This increase was mainly attributable to the Clearing business.

Management of forborne, past due and impaired loans

Forborne loans

The following table provides an overview of forborne assets, broken down into performing and non-performing assets, specified by type of forbearance measure.

Clients (potentially) in financial difficulty, for whom contract amendments have been made since 1 January 2012 that are considered concessions made by the bank, are accounted for as forborne assets. Contracts that were in a recovery phase at the reporting date are not considered forborne.

Contracts that pass the probation period are considered ‘cease to be forborne’ contracts and can be excluded from the forborne portfolio. The probation period depends on whether the contract is performing or non-performing when the forbearance measure is taken. This period is at least two years for a performing contract and at least three years for a non-performing contract. Up until year-end 2015, the total forborne exposure included contracts that were considered ‘cease to be forborne’. As of 31 March 2016, ‘cease to be forborne’ contracts are excluded from the forborne portfolio.

Overview forbearance as at 31 March 2016

	31 March 2016										
		Performing assets				Non-performing assets				Total	
(in millions)	Gross carrying amount	Temporary modifica-tion	Permanent modifica-tion	Refi-nanc-ing	Total	Temporary modifica-tion	Permanent modifica-tion	Refi-nanc-ing	Total	Total forborne assets	Forbear-ance ratio
Loans and receivables - banks	**16,593**										**0.0%**
Loans and receivables - customers											
Residential mortgages[1]	146,631	926	21	212	1,160	320	5	29	354	1,514	1.0%
Consumer loans	14,769	157	64	184	404	121	56	33	210	614	4.2%
Corporate loans[1]	87,311	1,552	1,307	1,058	3,916	624	920	756	2,300	6,216	7.1%
Other loans and receivables - customers[1,2]	13,550	70	61		131	118	62		180	311	2.3%
Total Loans and receivables - customers	**262,262**	**2,705**	**1,453**	**1,453**	**5,612**	**1,183**	**1,043**	**819**	**3,044**	**8,656**	**3.3%**
Total[1]	**278,855**	**2,705**	**1,453**	**1,453**	**5,612**	**1,183**	**1,043**	**819**	**3,044**	**8,656**	**3.1%**

1 Gross carrying amount excludes fair value adjustments from hedge accounting.
2 Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.

Overview forbearance as at 31 December 2015

	31 December 2015										
		Performing assets				Non-performing assets				Total	
(in millions)	Gross carrying amount	Temporary modifica-tion	Permanent modifica-tion	Refi-nanc-ing	Total	Temporary modifica-tion	Permanent modifica-tion	Refi-nanc-ing	Total	Total forborne assets	Forbear-ance ratio
Loans and receivables - banks	**15,682**										**0.0%**
Loans and receivables - customers											
Residential mortgages[1]	146,932	1,122	23	204	1,349	354	14	39	408	1,757	1.2%
Consumer loans	15,147	174	77	174	426	105	72	47	223	648	4.3%
Corporate loans[1]	84,864	1,368	1,330	1,244	3,941	594	839	902	2,335	6,276	7.4%
Other loans and receivables - customers[1,2]	11,881	110	39		148	109	124	2	235	383	3.2%
Total Loans and receivables - customers	**258,824**	**2,775**	**1,468**	**1,622**	**5,865**	**1,162**	**1,049**	**990**	**3,201**	**9,065**	**3.5%**
Total[1]	**274,506**	**2,775**	**1,468**	**1,622**	**5,865**	**1,162**	**1,049**	**990**	**3,201**	**9,065**	**3.3%**

1 Gross carrying amount excludes fair value adjustments from hedge accounting.
2 Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.

First-quarter developments

The total forborne portfolio decreased from EUR 9.1 billion at 31 December 2015 to EUR 8.7 billion at 31 March 2016. This decline was driven by developments within the Residential mortgages portfolio.

Total forborne Residential mortgages decreased significantly to EUR 1.5 billion at 31 March 2016, compared with EUR 1.8 billion at 31 December 2015. This decline related mainly to the performing forborne portfolio with temporary modifications, which declined by EUR 0.2 billion largely as a result of the exclusion of 'cease to be forborne' assets.

Total forborne Corporate loans remained fairly stable at EUR 6.2 billion at 31 March 2016, compared with EUR 6.3 billion at year-end 2015. An inflow of new forborne exposure amounting to EUR 0.7 billion was observed within the performing portfolio with temporary and permanent modifications. The new inflow mainly related to the Industrial goods & services sector and, to a lesser extent, the Food & beverage and Real estate sectors. This inflow was more than offset by an outflow of forborne exposure, which was mainly the result of excluding 'cease to be forborne' exposure and, to a lesser extent, by forborne contracts that were transferred to recovery.

Total forborne assets within Consumer loans and Other loans and receivables - customers remained fairly stable compared with 31 December 2015.

Past due loans

Financial assets past due but not impaired as at 31 March 2016

								31 March 2016
	Carrying amount		Days past due					
(in millions)	Gross	Assets not classified as impaired	< 30	> 30 days & < 60	> 60 days & < 90	> 90	Total past due but not impaired	Past due ratio
Loans and receivables - banks	**16,593**	**16,592**						**0.0%**
Loans and receivables - customers								
Residential mortgages[1]	146,631	145,616	2,190	313	85	31	2,620	1.8%
Consumer loans	14,769	13,999	275	117	59	136	587	4.0%
Corporate loans[1]	87,311	82,594	397	144	93	258	891	1.0%
Other loans and receivables - customers[1,2]	13,550	13,415	310	53	19	55	438	3.2%
Total Loans and receivables - customers	**262,262**	**255,624**	**3,172**	**627**	**256**	**481**	**4,536**	**1.7%**
Total Loans and receivables	**278,855**	**272,215**	**3,172**	**627**	**256**	**481**	**4,536**	**1.6%**

[1] Gross carrying amount excludes fair value adjustments from hedge accounting.
[2] Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.

Financial assets past due but not impaired as at 31 December 2015

								31 December 2015
	Carrying amount		Days past due					
(in millions)	Gross	Assets not classified as impaired	< 30	> 30 days & < 60	> 60 days & < 90	> 90	Total past due but not impaired	Past due ratio
Loans and receivables - banks	**15,682**	**15,680**						**0.0%**
Loans and receivables - customers								
Residential mortgages[1]	146,932	145,900	2,354	322	70	30	2,776	1.9%
Consumer loans	15,147	14,287	306	122	30	149	607	4.0%
Corporate loans[1]	84,864	79,992	610	134	9	323	1,076	1.3%
Other loans and receivables - customers[1,2]	11,881	11,671	187	36	17	160	400	3.4%
Total Loans and receivables - customers	**258,824**	**251,852**	**3,457**	**614**	**126**	**662**	**4,858**	**1.9%**
Total Loans and receivables	**274,506**	**267,532**	**3,457**	**614**	**126**	**662**	**4,858**	**1.8%**

[1] Gross carrying amount excludes fair value adjustments from hedge accounting.
[2] Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.

First quarter developments

The total past due exposure on Loans and receivables - customers decreased by EUR 0.4 billion to EUR 4.5 billion at 31 March 2016, down from EUR 4.9 billion at year-end 2015. Overall, the past due ratio for all subportfolios improved as a result of the continued improvement of the Dutch economy.

Impaired loans

Coverage and impaired ratio as at 31 March 2016

					31 March 2016
(in millions)	Gross carrying amount	Impaired exposures	Allowances for Impairments for identified credit risk	Coverage ratio	Impaired ratio
Loans and receivables - banks	**16,593**	**2**	**-2**	**100.0%**	**0.0%**
Loans and receivables - customers					
Residential mortgages[1]	146,631	1,015	-229	22.5%	0.7%
Consumer loans	14,769	770	-457	59.3%	5.2%
Corporate loans[1]	87,311	4,717	-2,967	62.9%	5.4%
Other loans and receivables - customers[1,2]	13,550	135	-75	55.3%	1.0%
Total Loans and receivables - customers	**262,262**	**6,638**	**-3,727**	**56.1%**	**2.5%**
Total Loans and receivables[3]	**278,855**	**6,639**	**-3,728**	**56.2%**	**2.4%**
Securities financing	33,603	10	-10	100.0%	0.0%
Total on- and off-balance sheet	**428,917**	**6,701**	**-3,743**	**55.9%**	**1.6%**

[1] Gross carrying amount excludes fair value adjustments from hedge accounting.
[2] Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.
[3] Amounts excluding Incurred But Not Identified (IBNI).

Coverage and impaired ratio as at 31 December 2015

(in millions)	31 December 2015				
	Gross carrying amount	Impaired exposures	Allowances for Impairments for identified credit risk	Coverage ratio	Impaired ratio
Loans and receivables - banks	**15,682**	**2**	**-2**	**100.0%**	**0.0%**
Loans and receivables - customers					
Residential mortgages[1]	146,932	1,031	-245	23.8%	0.7%
Consumer loans	15,147	860	-471	54.8%	5.7%
Corporate loans[1]	84,864	4,872	-3,098	63.6%	5.7%
Other loans and receivables - customers[1,2]	11,881	210	-78	37.4%	1.8%
Total Loans and receivables - customers	**258,824**	**6,973**	**-3,892**	**55.8%**	**2.7%**
Total Loans and receivables[3]	**274,506**	**6,974**	**-3,894**	**55.8%**	**2.5%**
Securities financing	20,073	11	-11	100.0%	0.1%
Total on- and off-balance sheet	**414,782**	**7,016**	**-3,909**	**55.7%**	**1.7%**

[1] Gross carrying amount excludes fair value adjustments from hedge accounting.
[2] Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.
[3] Amounts excluding Incurred But Not Identified (IBNI).

First quarter developments

Impaired exposures and allowances for impairments have declined further at 31 March 2016 since year-end 2015.

Slowly but gradually loans are flowing back into the regular portfolio. This is in line with the improvement in the Dutch economy.

The coverage and impaired ratio for Total loans and receivables – customers remained fairly stable compared with year-end 2015.

The coverage ratio for Residential mortgages declined to 22.5% at 31 March 2016, compared with 23.8% at year-end 2015. Both the impaired portfolio and Allowances for impairments decreased. Allowances for impairments decreased further, mainly due to the continued improvement of the Dutch housing market and economic conditions, which led to lower loss levels on foreclosures. The impaired ratio remained stable at 0.7%.

The coverage ratio in the Consumer loans portfolio increased to 59.3% at 31 March, compared with 54.8% at year-end 2015. The coverage ratio increased as a result of a lower impaired portfolio and slightly lower Allowances for impairments. The impaired ratio improved to 5.2% at 31 March 2016, compared with 5.7% at year-end 2015.

Both the coverage and the impaired ratio in the Corporate loans portfolio remained relatively stable compared with year-end 2015. The impaired exposure as well as Allowances decreased mainly as a result of write-offs of impaired files.

The coverage ratio for Other loans and receivables – customers rose sharply to 55.3% at 31 March 2016, compared with 37.4% at year-end 2015. This was mainly due to a significant decline in the impaired exposure as a result of improvements in the impaired portfolio of ABN AMRO Lease. This decline in the impaired exposure results in an impaired ratio of 1.0% at 31 March 2016, an improvement compared with 1.8% at 31 December 2015.

Loan impairment charges and allowances

(in millions)	Securities financing	Banks	Corporate loans	Residential mortgages	Consumer loans	Other loans	Total
							First quarter 2016
Balance as at 1 January	**11**	**2**	**3,470**	**324**	**561**	**1**	**4,368**
Impairment charges for the period		1	158	31	46	1	237
Reversal of impairment allowances no longer required			-176		-38		-213
Recoveries of amounts previously written-off			-7	-6	-10		-22
Total impairment charges on loans and other receivables		**1**	**-24**	**25**	**-1**	**1**	**2**
Amount recorded in interest income from unwinding of discounting			-10	-10	-2		-22
Currency translation differences			-31				-31
Amounts written-off (net)			-132	-34	-46		-212
Reserve for unearned interest accrued on impaired loans			17		5		22
Other adjustments			-17	5	7	-1	-6
Balance as at 31 March	**10**	**3**	**3,273**	**311**	**523**	**1**	**4,121**
Reconciliation from reported to underlying impairment charges							
Total reported on-balance sheet impairment charges on loans and other receivables		**1**	**-24**	**25**	**-1**	**1**	**2**
Total underlying on-balance sheet impairment charges on loans and other receivables		**1**	**-24**	**25**	**-1**	**1**	**2**

(in millions)	Securities financing	Banks	Corporate loans	Residential mortgages	Consumer loans	Other loans	Total
							First quarter 2015
Balance as at 1 January	**11**		**3,439**	**538**	**654**	**129**	**4,771**
Impairment charges for the period			325	41	35	8	410
Reversal of impairment allowances no longer required	-1		-100	-29	-13	-3	-146
Recoveries of amounts previously written-off			-2	-3	-11		-16
Total impairment charges on loans and other receivables	**-1**		**223**	**9**	**11**	**5**	**248**
Amount recorded in interest income from unwinding of discounting			-12	-18	-3		-33
Currency translation differences	1		71			2	74
Amounts written-off (net)			-133	-48	-25	-4	-210
Reserve for unearned interest accrued on impaired loans			8		-1		7
Other adjustments			-1	-3	5	1	2
Balance as at 31 March	**11**		**3,594**	**478**	**643**	**133**	**4,860**
Reconciliation from reported to underlying impairment charges							
Total reported on-balance sheet impairment charges on loans and other receivables	**-1**		**223**	**9**	**11**	**5**	**248**
Total underlying on-balance sheet impairment charges on loans and other receivables	**-1**		**223**	**9**	**11**	**5**	**248**

(in millions)	Q1 2016	Q1 2015
On-balance sheet	2	248
Off-balance sheet		4
Total impairment charges on loans and other receivables	**2**	**252**

First-quarter developments

The total on-balance sheet impairment charges decreased sharply to EUR 2 million in the first quarter of 2016, compared with EUR 248 million in the same period last year. This decrease included an IBNI release of EUR 81 million in Q1 2016, compared with an IBNI release in Q1 2015 of EUR 31 million. In addition to the IBNI release, the decrease was mainly the result of the economic recovery in the Netherlands.

The improvement in the Impairment charges was largely driven by the Corporate loan portfolio. In this portfolio, Impairment charges resulted in a release of EUR 24 million in Q1 2016, compared with an addition of EUR 223 million in the same period last year. The IBNI release for this portfolio amounted to EUR 62 million in Q1 2016, compared with EUR 9 million in Q1 2015.

The continued recovery of the Dutch economy and Dutch housing market contributed to a further decrease in the impaired portfolio for Residential mortgages. Impairment charges were EUR 25 million, compared with EUR 9 million in Q1 2015. Impairment charges in Q1 2016 included an IBNI charge of EUR 3 million, compared with an IBNI release of EUR 25 million in Q1 2015. Excluding the IBNI release, impairment charges in the first quarter of 2016 were lower than in Q1 2015.

Impairment charges for the Consumer loan portfolio resulted in a release of EUR 1 million, including an IBNI release of EUR 23 million.

Impaired loans by industry

(in millions)	31 March 2016 Impaired exposures	31 March 2016 Allowances for impairments for identified credit risk	31 December 2015 Impaired exposures	31 December 2015 Allowances for impairments for identified credit risk
Industry sector				
Banks	11	-11	12	-12
Financial services[1]	742	-634	808	-696
Industrial goods and services	1,098	-559	1,136	-608
Real estate	650	-313	656	-324
Oil and gas	200	-89	170	-73
Food and beverage	481	-241	492	-246
Retail	392	-265	449	-282
Basic resources	293	-240	293	-223
Healthcare	180	-163	207	-167
Construction and materials	379	-266	408	-285
Travel and leisure	149	-81	167	-88
Other[2]	351	-211	353	-207
Subtotal Industry Classification Benchmark	**4,926**	**-3,072**	**5,152**	**-3,210**
Private individuals (non-Industry Classification Benchmark)	1,775	-671	1,864	-698
Subtotal non-Industry Classification Benchmark	**1,775**	**-671**	**1,864**	**-698**
Total[3]	**6,701**	**-3,743**	**7,016**	**-3,909**

1 Financial services include asset managers, credit card companies and providers of personal financial services and securities and brokers.
2 Other includes, personal and household goods, media, technology, automobiles and parts, chemicals, telecommunication and insurance, in addition to unclassified.
3 Amounts excluding Incurred But Not Identified (IBNI).

First quarter developments

The total impaired exposure decreased mainly due to the industry sectors Private individuals, Financial services, Retail and Construction and materials, partly offset by Oil and gas.

The impaired exposure and the impairment allowance continued to decrease for Private individuals following the improvement in the Dutch housing market, resulting in a continued reduced impaired portfolio for Residential mortgages.

Financial services consists largely of Madoff-related files denominated in US dollars. The changes in this portfolio mainly related to changes in the foreign exchange rates of the US dollar.

Write-offs and releases for Allowances for impairments were noted in Retail. The Retail sector has been under pressure in recent years.

The Construction and materials sector showed a decrease in the impaired portfolio and impairment allowances resulting from write-offs, as well as a small release in impairment allowances distributed over a number of smaller files.

Impaired exposures and allowances for impairments in the Oil and gas industry increased mainly as a result of a single file in the ECT Clients business.

Developments in specific portfolios

Residential mortgages

The Dutch housing market continued to improve in 2016 due to low interest rates combined with economic conditions. The number of transactions was 24.2% higher than in the same quarter of 2015, according to Statistics Netherlands (CBS).

The CBS housing price index was 1.3% higher in Q1 2016 than in Q4 2015 and 8% higher than the lowest level in 2013. The continued upswing applied to all regions of the Netherlands and all price categories.

The upward trend in house prices and transaction volume was more significant in the larger cities in the urban agglomeration, which carries the risk that living in these areas will become increasingly reserved for high-income households.

Low interest rates are still an incentive for mortgage holders to refinance their existing mortgage loans to long-term interest rate periods.

Production of new mortgages in Q1 2016 was slightly lower than the same period last year. In the improved mortgage market, competition from new providers who see the mortgage market as a good investment alternative is growing. Regulations for insurers and pension funds differ from banks in terms of required capital buffers, giving them a competitive edge on long-term interest rates. ABN AMRO improved its market position in new production to 17.4% in Q1 2016. The NHG proportion of new mortgage production was slightly lower at 25% in the first quarter of 2016, compared with 26% in the fourth quarter of 2015.

Total redemptions for Q1 2016 amounted to EUR 2.8 billion, compared with EUR 4.0 billion in Q4 2015 and EUR 2.6 billion in Q1 2015. The higher number of total redemptions compared with the first quarter of 2015 was caused by an increase in refinancing and relocation. Low interest rates on savings and increased awareness among homeowners of the possibility of residual debt are still incentives for extra redemptions. Contractual repayments are gradually growing, following modified tax regulations.

Key residential mortgage indicators

(in millions)	31 March 2016	31 December 2015
Gross carrying amount excl. fair value adjustment from hedge accounting	146,631	146,932
Of which Nationale Hypotheek Garantie (NHG)	38,783	38,872
Fair value adjustment from hedge accounting	3,561	3,401
Gross carrying amount	150,192	150,333
Exposure at Default[1]	162,276	162,405
Risk-weighted assets / risk exposure amount[1]	20,510	20,779
RWA (REA)/EAD	12.6%	12.8%
Forbearance ratio	1.0%	1.2%
Past due ratio	1.8%	1.9%
Impaired ratio	0.7%	0.7%
Coverage ratio	22.5%	23.8%
Average Loan-to-Market-Value	80%	81%
Average Loan-to-Market-Value - excluding NHG	76%	77%
Total risk mitigation[2]	178,988	178,465
Total risk mitigation / carrying amount	119.2%	118.7%

1 The RWA (REA) and Exposure at Default amounts are based on the exposure class Secured by immovable property. This scope is slightly broader than the residential mortgage portfolio.
2 As of 31 March 2016, we revised our allocation of collateral values for residential mortgages. The year-end 2015 figures have been adjusted for comparison purposes.

	Q1 2016	Q1 2015	Q4 2015
Underlying Cost of risk (in bps)[1]	7	3	2

1 Annualised impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers on basis of gross carrying amount and excluding fair value adjustment from hedge accounting.

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The gross carrying amount for the residential mortgage portfolio ended marginally lower at EUR 146.6 billion at 31 March 2016, compared with EUR 146.9 billion at year-end 2015. This slight decrease was the result of redemptions slightly exceeding new mortgage production. NHG-guaranteed loans accounted for 26% of the residential mortgage portfolio at the end of the first quarter of 2016.

The EAD decreased to EUR 162.3 billion at 31 March 2016, which is in line with the reduced size of the mortgage portfolio. The RWA for the Residential mortgage portfolio further decreased to EUR 20.5 billion at 31 March 2016 as a result of a declining number of clients in arrears and a rise in housing prices.

The forbearance ratio came down to 1.0% compared with 1.2% at year-end 2015. The past due ratio improved further to 1.8% at 31 March 2016, compared with 1.9% at year-end 2015.

Cost of risk over the first quarter of 2016 resulted in 7bps. The impairment charges, which are reflected in the cost of risk were slightly higher than in the first and fourth quarter of 2015. The fourth quarter in particular was exceptionally low. The continued positive development of the impairment charges was the result of the slight decline of the impaired portfolio.

The coverage ratio for the residential mortgages portfolio was 22.5% at 31 March 2016, down from 23.8% at 31 December 2015. Both the impaired portfolio and Allowances for impairments decreased. Allowances decreased further, mainly due to the continued improvement of the Dutch housing market and economic conditions, which led to lower loss levels on foreclosures. The impaired ratio remained stable at 0.7%.

Positive developments in the abovementioned risk ratios are the result of continuous improvement of economic conditions combined with extensive portfolio management for clients who are in the early stages of financial difficulties. The trend of a lower portfolio in arrears, which started in the fourth quarter of 2014, continued.

The market again showed a rise in house prices. For ABN AMRO the average LtMV of the mortgage portfolio declined to 80%. As of 31 March 2016, allocation of the collateral values was revised. The adjustment mainly affects the surplus collateral and the lower LtMV buckets. Comparative figures were adjusted.

Residential mortgages to indexed market value

	31 March 2016				31 December 2015			
(in millions)	Gross carrying amount	Percentage of total	- of which guaranteed	- of which unguaranteed	Gross carrying amount	Percentage of total	- of which guaranteed	- of which unguaranteed
LtMV category[1,2]								
<50%	23,443	16.0%	1.7%	14.3%	23,122	15.7%	1.7%	14.0%
50% - 80%	40,849	27.9%	5.1%	22.8%	40,145	27.3%	4.9%	22.4%
80% - 90%	18,970	12.9%	3.8%	9.1%	18,340	12.5%	3.6%	8.9%
90% - 100%	25,505	17.4%	7.3%	10.1%	25,164	17.1%	7.0%	10.1%
100% - 110%	18,499	12.6%	4.8%	7.8%	19,225	13.1%	5.0%	8.1%
110% - 120%	11,974	8.2%	2.7%	5.5%	12,982	8.8%	2.9%	5.9%
>120%	5,232	3.6%	1.0%	2.5%	6,003	4.1%	1.4%	2.7%
Unclassified	2,159	1.5%			1,951	1.3%		
Total	**146,631**	**100%**			**146,932**	**100%**		

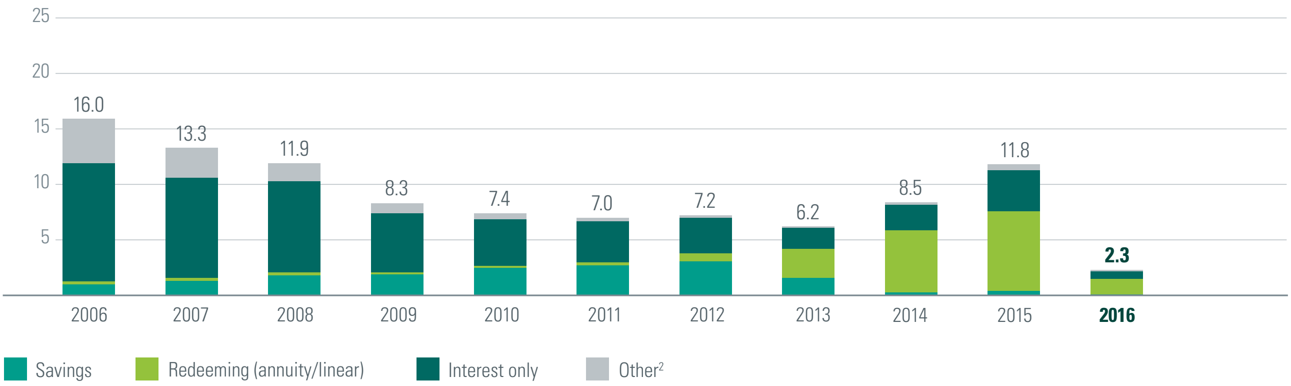
1 ABN AMRO calculates the Loan-to-Market Value using the indexation of the CBS (Statistics Netherlands).
2 As of 31 March 2016, we revised our allocation of collateral values for residential mortgages. The year-end 2015 figures have been adjusted for comparison purposes.

The volume of the portfolio with LtMV rates above 100% (i.e. the mortgage loan exceeds the value of the property) decreased from 26.0% at 31 December 2015 to 24.4% at 31 March 2016, which is a positive development. Note that LtMVs of more than 100% do not necessarily indicate that these clients are in financial difficulties.

Breakdown of residential mortgage origination by loan type

Breakdown of the residential mortgage portfolio by year of loan modification as from 2016[1]

(in billions)



[1] Production includes the new mortgage production and all mortgages with a modification date.
[2] Other includes universal life, life investment, hybrid, other and unclassified mortgage types. The hybrid portfolio consists of a combination of savings and investment mortgages.

Under Dutch tax regulations implemented on 1 January 2013, mortgage interest for new mortgages is only deductible for redeeming mortgage loans. On 31 March 2016, mortgage-loan-type origination (defined as new production and mortgages with a loan-type modification) breaks down into 30.1% interest-only mortgages (2012: 45%), 61.8% redeeming mortgages (2012:10.0%) and 3.0% savings mortgages (2012: 42%). Production of interest-only and savings mortgages can still take place if clients refinance loans that originated before 2013.

Breakdown of residential mortgage portfolio by loan type

(in millions)	31 March 2016 Gross carrying amount	31 March 2016 Percentage of total	31 December 2015 Gross carrying amount	31 December 2015 Percentage of total
Interest only (partially)	47,639	32%	47,943	33%
Interest only (100%)	31,628	22%	32,076	22%
Redeeming mortgages (annuity/linear)	19,910	14%	18,569	13%
Savings	21,240	14%	21,735	15%
Life (investment)	17,292	12%	17,787	12%
Other[1]	8,922	6%	8,822	6%
Total	**146,631**	**100%**	**146,932**	**100%**

[1] Other includes hybrid, other and unclassified mortgage types. The hybrid portfolio consists of a combination of savings and investment mortgages.

The change in tax regulation is reflected in the composition of the mortgage portfolio. The proportion of redeeming mortgages increased to 14% of the portfolio, while the proportion of interest-only mortgages and savings mortgages is decreasing slightly.

Energy, Commodities & Transportation Clients

ECT on- and off-balance sheet exposure

	31 March 2016				31 December 2015			
(in billions)	Energy	Commodities	Transpor-tation	Total ECT clients	Energy	Commodities	Transpor-tation	Total ECT clients
On-balance sheet exposure	**5.1**	**11.2**	**8.9**	**25.3**	**4.7**	**11.1**	**9.3**	**25.0**
Guarantees and letters of credit	0.6	5.2	0.2	6.0	0.7	5.5	0.2	6.3
Subtotal	**5.7**	**16.4**	**9.1**	**31.2**	**5.3**	**16.5**	**9.5**	**31.4**
Undrawn committed credit facilities	2.1	2.6	1.2	5.9	2.3	2.4	1.9	6.7
Total on- and off-balance sheet exposure	**7.7**	**19.0**	**10.4**	**37.1**	**7.6**	**19.0**	**11.4**	**38.0**

ABN AMRO provides financial solutions and support to clients across the entire value chain of the Energy, Commodities & Transportation (ECT) industry. ECT Clients finances and serves corporate clients that are internationally active in Energy (upstream, offshore, midstream, Floating Production, Storage and Offloading (FPSO), corporate lending), Commodities (energy, agricultural and metals) and Transportation (ocean-going vessels and containers).

ECT Clients operates in cyclical sectors. This cyclicality is carefully considered in relation to lending policies, financing structures, advance rates and risk management. As some of the clients in the ECT sectors face challenging market circumstances, the impact of these developments is monitored closely. For example, developments in commodity prices (specifically the price of oil) and the dry bulk and container markets are continuously subject to stringent credit monitoring and close risk management attention. In addition, ABN AMRO periodically performs sensitivity analyses and stress testing exercises to gain insight into the credit performance under price scenarios, economic scenarios and risk measures.

The vast majority of the ECT Clients loan book is US-dollar denominated and largely secured by either commodities for which liquid markets exist, first-priority ship mortgages or pledged contracted project cash flows. Conservative advance rates are applied, taking into account through-the-cycle asset values.

The ECT Clients' total loan portfolio amounted to an equivalent of EUR 25.3 billion on-balance sheet exposure at 31 March 2016, compared with EUR 25.0 billion at 31 December 2015. Despite the weakening of the US-dollar exchange rate by 4.5%, the on-balance sheet exposure slightly increased by 1.0% in the first quarter of 2016, mainly due to growth in Energy and Commodities. This increase was partially offset by a decrease in on-balance sheet exposure for Transportation in EUR terms; in USD terms, however, the on-balance exposure for Transportation remained stable.

Commodities Clients remains the largest sector of ECT Clients, accounting for EUR 11.2 billion of the ECT Clients loan portfolio (up from EUR 11.1 billion at 31 December 2015). Loans (on-balance) to Transportation Clients now account for EUR 8.9 billion (down from EUR 9.3 billion at 31 December 2015). Energy Clients' share in the on-balance sheet exposure is now EUR 5.1 billion (up from EUR 4.7 billion at 31 December 2015).

The off-balance sheet exposure, consisting mainly of short-term letters of credit secured by commodities, guarantees and availability under committed credit lines, decreased from EUR 13.0 billion at 31 December 2015 to EUR 11.9 billion at 31 March 2016, of which EUR 7.8 billion in Commodities Clients, EUR 2.7 billion in Energy Clients, and EUR 1.4 billion in Transportation Clients.

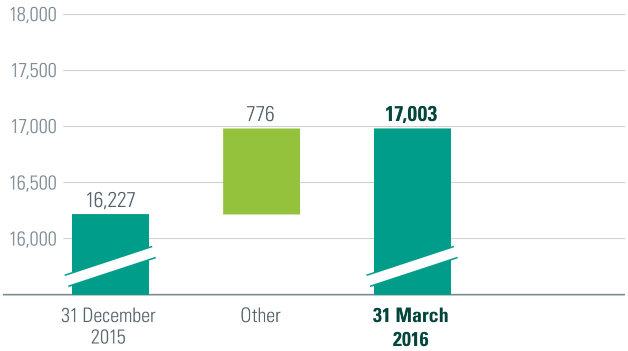
The current challenging market conditions are reflected in ECT Clients' impairment charges for Q1 2016, amounting to EUR 48 million (up from EUR 17 million for Q1 2015) and EUR 31 million for Q4 2015). As at other parts of International Clients, impairment charges for ECT Clients are typically incurred over a few individual files and can be relatively large compared with other parts of the corporate loan book.

The bank periodically performs sensitivity analyses and stress testing exercises to gain insight into the credit performance under price scenarios, economic scenarios and risk measures. Developments in global trade and commodity prices, specifically in oil and gas, are under continued close risk management attention and stringent credit monitoring.

Following the oil price sensitivity analysis in Q4 2015, we performed a sensitivity analysis on our Transportation portfolio. This analysis indicated that, under the most severe scenario, the concentration limit on transportation for economic capital remains within the pre-defined risk appetite. The assumption made in this two year scenario was a two to four notch downgrade on some specific sub portfolios in Transportation. In addition, specific files were forced into default for the purpose of this analysis. Although model driven, impairment charges are expected to rise in this severe scenario by approximately EUR 225 million over a two year period. Note that the impact on impairments is without any management action taken. Based on past experience, impairment charges can be much lower due to appropriate and timely mitigating actions in the restructuring phase. Furthermore, the sensitivity analysis for Transportation is slightly overlapping (for Offshore supply vessels) with our oil price sensitivity analysis in Q4 2015.

Operational risk

RWA (REA) flow statement operational risk
(in millions)



RWA for operational risk is calculated based on the Standardised Approach (TSA). To calculate the required capital, once a year the gross income is multiplied by a percentage (predefined by the directives).

First-quarter developments

RWA increased by EUR 0.8 billion to EUR 17 billion (under TSA). Whilst applying the TSA approach, this increase is a direct consequence of the improvement of the bank's gross income.

ABN AMRO is awaiting the ECB's response to the request for approval to use the Advanced Measurement Approach (AMA). The application request was submitted to the ECB in the fourth quarter of 2015.

Market risk

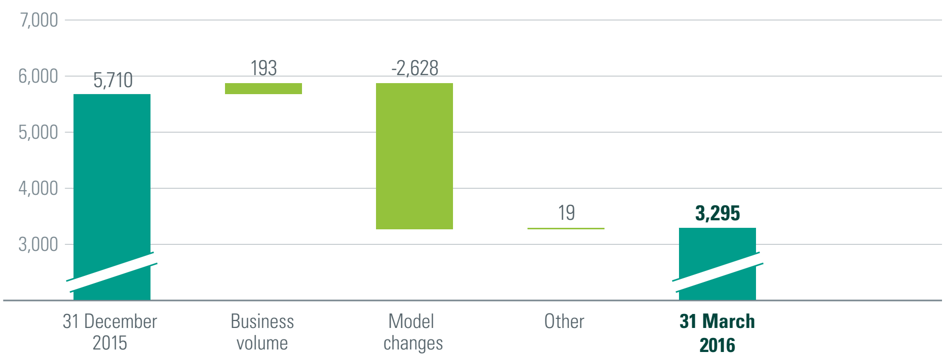
ABN AMRO is exposed to market risk in its trading book and banking book.

Market risk in the trading book

ABN AMRO has limited exposure in the trading book.

RWA (REA) flow statement market risk

(in millions)



ABN AMRO received approval from the regulator to use the Internal Model Approach (IMA) as from 1 January 2016. As a result, the market risk RWA is reported on the basis of internal models rather than on the standardised calculation.

This resulted in a decrease in RWA of EUR 2.4 billion to EUR 3.3 billion at 31 March 2016 compared with EUR 5.7 billion at 31 December 2015.

Internal aggregated diversified and undiverisified VaR for all trading positions

	Q1 2016		Q1 2015		Q4 2015	
(in millions)	Diversified	Undiversified	Diversified	Undiversified	Diversified	Undiversified
VaR at last trading day of period	3.0	5.6	6.0	7.2	3.0	3.4
Highest VaR	4.0	6.7	6.0	7.2	8.7	11.0
Lowest VaR	1.9	3.0	1.1	2.1	1.8	2.9
Average VaR	3.0	4.4	3.9	4.9	2.9	4.1

The average diversified VaR was EUR 0.9 million lower in Q1 2016 compared with Q1 2015.

This decrease was related to lower positions in combination with lower market volatility in the historical period used in the VaR calculation. In addition, an enhanced VaR model was implemented in Q4 2015 to improve handling of low interest rates.

These factors (mainly the enhanced VaR model) were the chief reasons behind the sharp decline in the highest VaR during the period when comparing Q1 2016 with Q4 2015. The average risk diversification effect, comparing the undiversified VaR with the diversified VaR, remained relatively stable from Q4 2015 to Q1 2016, with a diversification percentage of around 70%.

Market risk in the banking book

Market risk in the banking book is the risk that the bank's value or earnings decline because of unfavourable market movements. The market risk of the banking book consists predominantly of interest rate risk. Interest rate risk arises from holding loans with different interest rate maturities than the interest rate maturities of the savings and funding of the bank.

The assets have on average a longer behavioural maturity than the liabilities, especially savings. ABN AMRO uses a combination of portfolio (macro) hedges and specific asset or liability (micro) hedges to swap fixed interest rates to a floating interest rate position. The resulting interest rate position, after application of interest rate hedges, is in line with the bank's strategy and risk appetite.

Interest rate risk metrics

	31 March 2016	31 December 2015
NII-at-risk (in %)	2.4	1.3
Duration of equity (in years)	4.1	3.6

NII-at-Risk is defined as the worst outcome of two scenarios: a gradual increase in interest rates and a gradual decline in interest rates by 200bps. A floor on interest rates is assumed in the falling rates scenario. NII-at-Risk in Q1 increased from 1.3% to 2.4% (approximately EUR 140 million) and, like in the previous quarter, reflects a reduction of NII in the falling rates scenario. In a scenario in which interest rates rise, NII would increase by 3.4% (approximately EUR 190 million).

Duration of equity increased moderately to 4.1 years, driven by business developments.

Liquidity risk

Liquidity indicators

	31 March 2016	31 December 2015
Loan-to-Deposit ratio	110%	109%
LCR	>100%	>100%
NSFR	>100%	>100%
Survival period (moderate stress)	> 12 months	>12 months
Available liquidity buffer (in billions)	76.0	82.8

The Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) both remained above 100% in the first quarter of 2016. This is in line with the bank's targeted early compliance with future regulatory requirements.

The survival period reflects the period that the bank's liquidity position is expected to remain positive in an internal stress scenario. In this internal stress scenario it is assumed that wholesale funding markets deteriorate and retail and commercial clients withdraw a proportion of their deposits. The survival period was consistently >12 months in the first quarter of 2016.

Loan-to-Deposit ratio

(in millions)	31 March 2016	31 December 2015
Loans and receivables - customers	263,666	259,319
Net adjustments	-3,660	-1,737
Adjusted loans and receivables - customers	**260,006**	**257,582**
Due to customers	229,893	230,297
Net adjustments	7,227	6,216
Adjusted due to customers	**237,120**	**236,513**
Loan-to-Deposit ratio	**110%**	**109%**

The Loan-to-Deposit (LtD) ratio slightly increased to 110% in the first quarter of 2016, compared with 109% at 31 December 2015. The increase in the LtD ratio was mainly due to higher outstanding client loans within Corporate Banking.

Liquidity buffer composition

	31 March 2016		31 December 2015	
(in billions)	Liquidity buffer	of which LCR eligible	Liquidity buffer	of which LCR eligible
Cash & central bank deposits[1]	22.1	22.1	24.4	24.4
Government bonds	29.5	30.2	26.0	26.9
Covered bonds	1.3	1.3	1.4	1.3
Retained RMBS	13.9		24.0	
Third party RMBS	1.6	1.4	0.7	0.6
Other	7.6	8.1	6.3	3.3
Total liquidity buffer	**76.0**	**63.1**	**82.8**	**56.5**
- of which in EUR	95.3%		94.1%	
- of which in other currencies	4.7%		5.9%	

[1] The mandatory cash reserve with the central bank has been deducted from the cash and central bank deposits in the liquidity buffer.

The liquidity buffer consists to a large extent of cash and deposits at central banks, government bonds and retained RMBS. Most of the securities in the liquidity buffer, with the exception of retained RMBS, are eligible for the LCR. The haircuts used to determine the liquidity value in the internal assessment of the liquidity buffer deviate from Basel III regulations. This explains the differences between the liquidity values. For government bonds, the internal haircut is higher. As a result, the liquidity buffer value for government bonds is lower than the LCR eligible amount.

The liquidity buffer decreased by EUR 6.8 billion, arriving at EUR 76.0 billion at 31 March 2016, compared with EUR 82.8 billion at 31 December 2015. This was mainly due to a lower cash position and a decrease in retained RMBS, offset by an increase in government bonds.

The decrease in the cash position was due to the observed increase in the LtD ratio and the conversion of cash into financial investments, which was partially offset by an increase in wholesale funding. The decrease in retained RMBS was driven primarily by retained RMBS which were called and re-issued in March 2016. These new notes can only be included in the liquidity buffer if DNB earmarks them as eligible for inclusion in the buffer. The timing effect caused a temporary decline in the liquidity value of the retained RMBS portfolio in the first quarter of 2016. The increase in the government bond position was driven by an increase in financial investments and the inclusion of off-balance sheet positions consisting of LCR eligible government bonds.

Funding

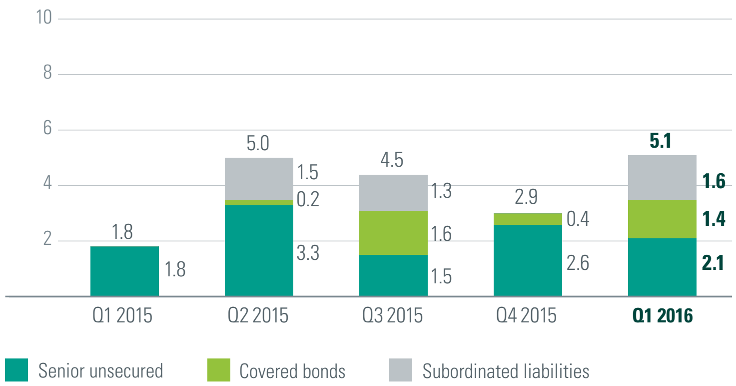
ABN AMRO's strategy for wholesale funding is derived from the bank's moderate risk profile. This strategy aims to optimise and diversify the bank's funding sources in order to maintain market access and reach the targeted funding position. We aim to have a balance sheet with a diverse, stable and cost-efficient funding base.

Client deposits (payable to clients) are a source of funding, complemented by a well-diversified book of wholesale funding. Client deposits amounted to EUR 229.7 billion at 31 March 2016, down by EUR 0.4 billion from EUR 230.1 billion at 31 December 2015. Total wholesale funding (as defined by issued debt plus subordinated liabilities) amounted to EUR 89.5 billion at 31 March 2016 compared to EUR 85.9 billion at December 2015.

Funding raised

Long-term funding raised in the first quarter of 2016 amounted to EUR 5.1 billion, 24% of which was raised in non-euro currencies. This includes EUR 1.4 billion in covered bond transactions and EUR 1.6 billion of Tier 2 capital instruments. Of these Tier 2 capital instruments, EUR 0.6 billion were issued in March 2016 but settled in April 2016. These instruments are included in the funding overview below, which is based on the date of issuance. However, for capital purposes these instruments are accounted for at the date of settlement. These instruments will therefore be included in the Q2 2016 reporting figures for capital. More information on capital instruments is provided in the Capital management section of this report.

Long-term funding raised in 2015 and 2016
(notional amounts, in billions)



Overview of funding types

A key goal of the funding strategy is to diversify funding sources. The available funding programmes allow us to issue various instruments in different currencies and markets, enabling us to diversify our investor base. A description of capital and funding instruments issued by ABN AMRO is provided on our website, abnamro.com.

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We continuously assess our wholesale funding base in order to determine the optimal use of funding sources. The main types of wholesale funding can be specified as follows:

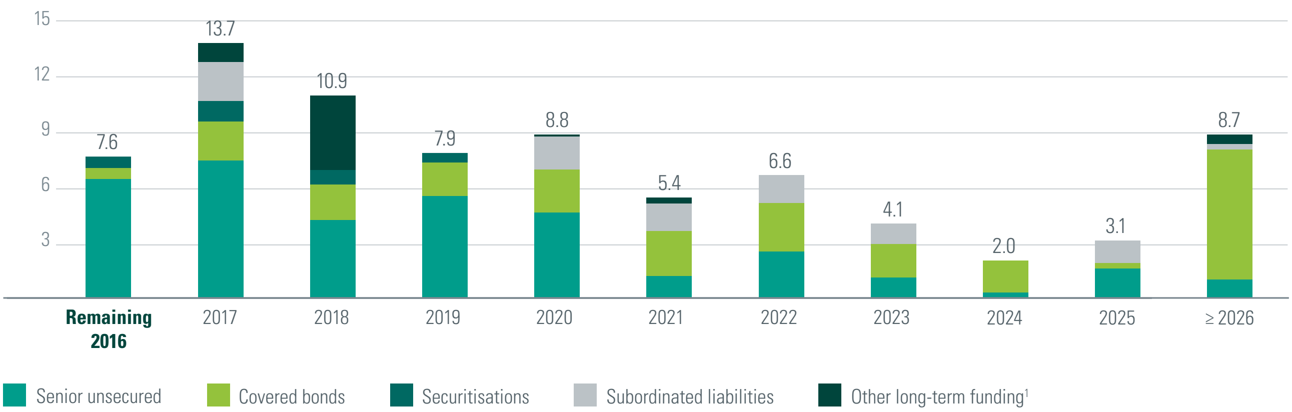
(in millions)	31 March 2016	31 December 2015
Euro Commercial Paper	1,377	1,326
London Certificates of Deposit	4,997	3,744
French Certificats de Dépôt	426	164
US Commercial Paper	4,356	4,585
Total Commercial Paper/Certificates of Deposit	**11,155**	**9,820**
Senior unsecured (medium-term notes)	37,300	37,404
Covered bonds	27,926	25,956
Securitisations	2,950	2,968
Saving certificates	51	59
Total issued debt	**79,383**	**76,207**
Subordinated liabilities	10,106	9,708
Total wholesale funding	**89,489**	**85,915**
Other long-term funding[1]	5,843	6,813
Total funding instruments[2]	**95,332**	**92,728**
- of which CP/CD matures within one year	11,155	9,820
- of which funding instruments (excl. CP/CD) matures within one year	11,936	12,044
- of which matures after one year	72,241	70,865

[1] Includes long-term repos (recorded in Securities financing), TLTRO funding (recorded in Due to banks) and funding with the Dutch State as counterparty (recorded in Due to customers).
[2] Includes FX effects, fair value adjustments and interest movements.

Maturity calendar

Maturity calendar at 31 March 2016

(notional amounts, in billions)



[1] Other long-term funding includes long-term repos, TLTRO funding and funding with the Dutch State as counterparty.

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Maturity calendar

(notional amounts, in billions)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	≥ 2026	Total
												31 March 2016
Senior unsecured	6.4	7.4	4.2	5.5	4.6	1.2	2.5	1.1	0.3	1.6	1.0	36.1
Covered bonds	0.6	2.1	1.9	1.8	2.3	2.4	2.6	1.8	1.7	0.3	7.0	24.5
Securitisations	0.6	1.1	0.8	0.5								3.0
Subordinated liabilities		2.1			1.8	1.5	1.5	1.1		1.2	0.3	9.4
Other long-term funding[1]		1.0	4.0		0.1	0.3					0.5	5.8
Total	**7.6**	**13.7**	**10.9**	**7.9**	**8.8**	**5.4**	**6.6**	**4.1**	**2.0**	**3.1**	**8.7**	**78.7**

[1] Other long-term funding includes long-term repos, TLTRO funding and funding with the Dutch State as counterparty.

The average remaining maturity of the total outstanding long-term wholesale funding was 4.8 years on 31 March 2016, a small increase compared with 31 December 2015 (4.6 years). This was caused mainly by the issuance of Tier 2 capital instruments and long covered bonds in the first quarter of 2016.

The stated maturity calendar assumes redemption on the earliest possible call date or the legal maturity date. Early redemption of subordinated instruments is subject to the approval of the regulators. However, this does not mean that the instruments will be called at the earliest possible call date.

In 2014, ABN AMRO participated in the first series of Targeted Long-Term Refinancing Operations (TLTRO I), which is the European Central Bank's programme to support lending to the real economy (particular for SMEs). ABN AMRO participated in the TLTRO I for a total amount of EUR 4.0 billion. The contractual maturity date is 2018. However, the ECB recently announced an additional voluntary repayment option of TLTRO I in June 2016 and a new series of Targeted Long-Term Refinancing Operations (TLTRO II). ABN AMRO is investigating the possibility of participating in TLTRO II in combination with voluntary early prepayment of TLTRO I.

Capital management

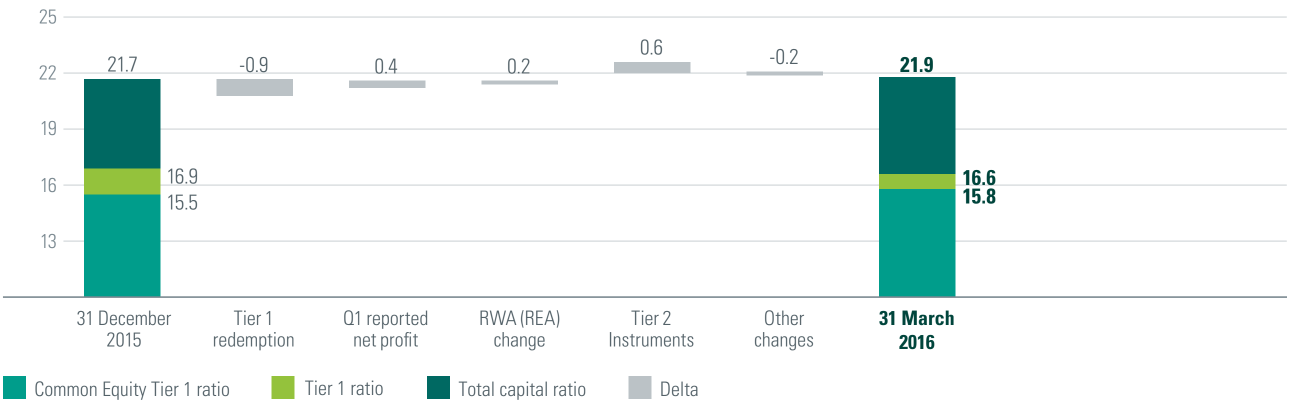
ABN AMRO's solid capital position ensures that the bank is already compliant with the fully-loaded capital requirements of the Capital Requirements Directive IV (CRD IV). The overall capital base increased during the first quarter due to accumulated profit. The bank strives to optimise its capital structure in anticipation of pending regulatory requirements. The capital structure consists mainly of common equity and highly loss-absorbing capital to cover unexpected losses. The subordination of specific capital instruments provides further protection to senior creditors.

Regulatory capital structure

(in millions)	31 March 2016	31 December 2015
Total equity (EU IFRS)	**17,963**	**17,584**
Cash flow hedge reserve	1,091	1,056
Dividend reserve	-626	-414
Capital securities	-993	-993
Other regulatory adjustments	-486	-466
Common Equity Tier 1	**16,949**	**16,768**
Innovative hybrid capital instruments		700
Capital securities	993	993
Other regulatory adjustments	-148	-234
Tier 1 capital	**17,794**	**18,226**
Subordinated liabilities Tier 2	5,612	4,938
Excess Tier 1 capital recognised as Tier 2 capital		300
Other regulatory adjustments	-17	-33
Total regulatory capital	**23,390**	**23,431**
Total risk-weighted assets (risk exposure amount)	**107,025**	**108,001**
Common Equity Tier 1 ratio	15.8%	15.5%
Tier 1 ratio	16.6%	16.9%
Total capital ratio	21.9%	21.7%
Common Equity Tier 1 capital (fully-loaded)	16,933	16,695
Common Equity Tier 1 ratio (fully-loaded)	15.8%	15.5%
Tier 1 capital (fully-loaded)	17,926	17,688
Tier 1 ratio (fully-loaded)	16.8%	16.4%
Total capital (fully-loaded)	21,732	20,624
Total capital ratio (fully-loaded)	20.3%	19.1%

Developments impacting capital ratios

Developments impacting capital ratios in Q1 2016
(in %)



At 31 March 2016, the phase-in CRD IV Common Equity Tier 1, Tier 1 and total capital ratios were 15.8%, 16.6% and 21.9% respectively. All capital ratios were well above regulatory minimum requirements and in line with the bank's risk appetite and strategic ambitions. ABN AMRO's CET1 position strengthened during the first quarter, as a result of profit accumulation. The fully-loaded Common Equity Tier 1, fully-loaded Tier 1 and fully-loaded total capital ratios increased to 15.8%, 16.8% and 20.3% respectively during the first quarter of 2016.

The group level RWA (REA) decreased by EUR 1.0 billion compared with 31 December 2015, to EUR 107.0 billion at 31 March 2016. More information on RWA (REA) is provided in the risk section of this report.

In 2016, ABN AMRO will be required to meet a minimum CET1 ratio of 10.25% on a consolidated basis, which is composed of a 9.5% SREP requirement and a 0.75% phase-in of the systemic risk buffer (SRB). The SRB is expected to grow by 0.75 percentage points per annum up to 3.0% in 2019. The 9.5% CET1 requirement for 2016 includes the capital conservation buffer. ABN AMRO is comfortably above the 10.25% minimum, with phase-in CET1 at 15.8% at 31 March 2016.

In the first quarter, ABN AMRO redeemed two grandfathered instruments which had a remaining eligibility for regulatory capital of EUR 1.2 billion at 31 December 2015. Specifically, the bank redeemed a GBP 150 million Tier 2 instrument and a EUR 1.0 billion Tier 1 instrument (of which EUR 700 million was eligible for Tier 1 and EUR 300 million was eligible for Tier 2 capital at 31 December 2015).

To strengthen the bank's capital base, ABN AMRO successfully issued three Tier 2 instruments in the first quarter. In January, the bank issued a EUR 1.0 billion callable instrument, followed up by two issuances in March: a USD 0.3 billion 15-year bullet in Taiwan and an SGD 0.45 billion callable instrument. Note that the latter two instruments, which were issued in March, are not included in the Q1 figures for capital purposes. As the settlement period of both issuances extends into April, the issuances will only be included in the Q2 2016 reporting figures.

Dividend

ABN AMRO intends to increase its dividend payout ratio to 45% for 2016 and 50% for 2017, subject to, among other things, regulatory capital requirements (including Basel IV).

Leverage ratio

The CRR introduced a non-risk based leverage ratio to be monitored until 2017 and to be further refined and calibrated before becoming a binding measure as from 2018. The Commission Delegated Regulation (CDR), applicable since 1 January 2015, amended the definition of the leverage ratio to enhance comparability of leverage ratio disclosures. The Group aims for at least a 4% leverage ratio by year-end 2018, to be achieved by issuance of AT1 instruments, management of the exposure measure and profit retention.

	31 March 2016		31 December 2015
(in millions)	Phase-in	Fully-loaded	Fully-loaded
Tier 1 capital	**17,794**	**17,926**	**17,688**
Exposure measure (under CDR)			
On-balance sheet exposures	415,128	415,128	390,317
Off-balance sheet exposures	28,790	28,790	29,183
On-balance sheet netting	29,266	29,266	26,621
Derivative exposures	28,686	28,686	31,541
Securities financing exposures	2,426	2,426	1,317
Other regulatory measures	-18,159	-18,045	-14,322
Exposure measure	**486,137**	**486,251**	**464,657**
Leverage ratio (CDR)	**3.7%**	**3.7%**	**3.8%**

At 31 March 2016, the Group had a CDR fully-loaded leverage ratio of 3.7%. The leverage ratio benefited from an increase in Tier 1 capital through profit accumulation, whereas the exposure measure had also increased since 31 December 2015 as a result of a seasonal increase in the balance sheet volume.

On 6 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 are the change in the calculation of the derivative exposures and the credit conversion factors for some off-balance sheet items. The revised calculation method of derivative exposures could potentially result in a decrease of the exposure measure for clearing guarantees. This decrease would amount to approximately EUR 42 billion, or a 35 bps increase in the fully-loaded leverage ratio at 31 March 2016. An adjustment of credit conversion factors for some off-balance sheet exposures, for example unconditionally cancellable commitments, will partly offset the potential increase due to the adjusted treatment of clearing guarantees.

MREL

(in millions)	31 March 2016	31 December 2015
Regulatory capital	23,390	23,431
MREL eligible capital[1]	3,151	3,162
Total assets	415,128	390,317
MREL[2]	6.4%	6.8%

[1] MREL eligible capital includes subordinated liabilities that are not included in regulatory capital.
[2] MREL is calculated as total regulatory capital plus eligible subordinated liabilities divided by total IFRS assets.

The Bank Recovery and Resolution Directive (BRRD) provides authorities with more comprehensive and effective measures to deal with failing banks. Implementation of BRRD in the European Union began in 2015 and the bail-in framework has been applicable since January 2016. Implementation of the bail-in framework has led to the introduction of additional loss-absorbing measures, such as the Minimum Requirement for own funds and Eligible Liabilities (MREL).

The Group is monitoring pending regulatory requirements in relation to MREL and aims for at least 8% MREL by year-end 2018 (through subordinated debt and profit retention). The final regulatory requirements for MREL will determine the precise measures to be undertaken to comply with the MREL requirement. At 31 March 2016, the Group had a 6.4% MREL (based on Own funds and Other subordinated liabilities). Note that ABN AMRO successfully issued two Tier 2 issuances in March: a USD 0.3 billion 15-year bullet in Taiwan and an SGD 0.45 billion callable instrument, which are not yet included in the Q1 figures as the settlement date extends into April. If these two instruments were to be included on a pro forma basis, MREL would be 0.2% higher, at 6.6%.

ABN AMRO will continue to issue new capital instruments to further enhance its buffer of loss-absorbing instruments in view of scheduled amortisations, MREL and any other regulatory changes.

Regulatory capital developments

The CRD IV and the CRR set the framework for implementation of Basel III in the European Union. CRD IV and CRR have been phased in since 1 January 2014 and will be fully effective by January 2019.

Also commonly referred to as Basel IV, the Basel Committee on Banking Supervision has presented two consultative papers on a revision of the Standardised Approach and the design of a capital floor framework based on this revised Standardised Approach. This framework will replace the current transitional floor based on the Basel I standard. The aim of the revised capital floor framework is to enhance the reliability and comparability of risk-weighted capital ratios. Revision of the Standardised Approach for Residential Real Estate and SMEs in combination with revision of the capital floors implies a potential significant risk-weighted assets inflation risk for ABN AMRO.

Regulatory developments, such as the Basel proposal (especially with respect to risk-weighting of mortgages and corporate loans) and increasing capital requirements set by the regulators, could have a significant impact on the bank's capital position going forward. Hence, ABN AMRO will continue to focus on capital efficiency and further strengthen its capital position.

Although Total Loss-Absorbing Capacity (TLAC) is currently not applicable to the bank, ABN AMRO continues to monitor TLAC requirements following publication of the final terms in November 2015. The final terms for TLAC are considered to be in line with the current ambition to steer MREL to 8%, while further convergence between TLAC and MREL requirements is anticipated.

Other

Enquiries

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Investor call

A call will be hosted (by the Managing Board) for analysts and investors on Wednesday 11 May 2016 at 11:00 am CET (10:00 am GMT).

To participate in the conference call, we strongly advise analysts and investors to pre-register for the call using the information provided on the ABN AMRO Investor Relations website.

More information can be found on our website, www.abnamro.com/ir.

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Information on our website does not form part of this Quarterly Report, unless expressly stated otherwise.

Disclaimer & cautionary statements

The Group has included in this document, and from time to time may make certain statements in its public filings, press releases or other public statements that may constitute "forward-looking statements" within the meaning of the safe-harbour provisions of the United States Private Securities Litigation Reform Act of 1995. This includes, without limitation, such statements that include the words "expect", "estimate", "project", "anticipate", "should", "intend", "plan", "aim", "desire", "strive", probability", "risk", "Value at Risk" ("VaR"), "target", "goal", "objective", "will", "endeavour", "outlook", "optimistic", "prospects" and similar expressions or variations on such expressions. In particular, this document includes forward-looking statements relating, but not limited, to ABN AMRO's potential exposures to various types of operational, credit and market risk, such as counterparty risk, interest rate risk, foreign exchange rate risk and commodity and equity price risk. Such statements are subject to risks and uncertainties. These forward-looking statements are not historical facts and represent only ABN AMRO's beliefs regarding future events, many of which by their nature are inherently uncertain and beyond the bank's control.

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

- The extent and nature of future developments and continued volatility in the credit and financial markets and their impact on the financial industry in general and ABN AMRO in particular;
- The effect on ABN AMRO's capital of write-downs in respect of credit exposures;
- Risks related to ABN AMRO's merger, separation and integration process;
- General economic, social and political conditions in the Netherlands and in other countries in which ABN AMRO has significant business activities, investments or other exposures, including the impact of recessionary economic conditions on ABN AMRO's performance, liquidity and financial position;
- Macroeconomic and geopolitical risks;
- Reductions in ABN AMRO's credit ratings;
- Actions taken by the EC, governments and their agencies to support individual banks and the banking system;
- Monetary and interest rate policies of the ECB and G20 central banks;
- Inflation or deflation;
- Unanticipated turbulence in interest rates, foreign currency exchange rates, commodity prices and equity prices;
- Liquidity risks and related market risk losses;
- Potential losses associated with an increase in the level of substandard loans or non-performance by counterparties to other types of financial instruments, including systemic risk;
- Changes in Dutch and foreign laws, regulations, policies and taxes;
- Changes in competition and pricing environments;
- Inability to hedge certain risks economically;
- Adequacy of loss reserves and impairment allowances;
- Technological changes;
- Changes in consumer spending, investment and saving habits;
- Effective capital and liquidity management;
- The success of ABN AMRO in managing the risks involved in the foregoing.

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