Rating Report

ABN AMRO Group N.V.

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DBRS
Insight beyond the rating.

Ratings

Issuer	Debt	Rating	Rating Action	Trend
ABN AMRO Group N.V.	Issuer & Long-Term Debt	A	Upgraded	Stable
ABN AMRO Group N.V.	Short-Term Debt	R-1 (low)	Confirmed	Stable
ABN AMRO Bank N.V.	Long-Term Debt & Deposits	A (high)	Upgraded	Stable
ABN AMRO Bank N.V.	Short-Term Debt & Deposits	R-1 (middle)	Upgraded	Stable

See page 10 for full list of ratings

Rating Considerations

Franchise Strength:
Well-positioned franchise in the Netherlands, supported by solid corporate banking operations internationally.

Earnings Power:	Risk Profile:	Funding and Liquidity:	Capitalisation:
Good earnings capacity across businesses in recent years. Cost control remains a key focus for management.	Generally conservative risk profile, consistent with its retail and commercial franchise – albeit some stress currently evident in the energy portfolio.	Solid funding profile, reflecting strong core retail and private banking funding base. Strong liquidity position	Risk weighted capital ratios have continued to strengthen, with a CET1 ratio of 16.2% at end-1H16.

Rating Drivers

Factors with Positive Rating Implications

- Given the recent upgrade and current operating environment, DBRS views positive rating over the near-to medium- term as unlikely. Over the longer-term, ABN AMRO's continued success in enhancing its franchise by executing on its strategy, whilst improving returns across business segments, combined with further progress in adjusting to the evolving regulatory environment, could add positive pressure to the rating.

Factors with Negative Rating Implications

- A substantial deterioration in profitability or an increase in the Group's risk profile, potentially from its exposure to the oil and gas industry, could have negative implications. A significant downturn to the Dutch economy could also result in negative pressure given the Group's large domestic exposure.

Financial Information

ABN AMRO Group NV EUR Millions	30/06/2016	31/12/2015	31/12/2014	31/12/2013	31/12/2012
Total Assets	418,940	405,840	412,530	372,022	393,758
Equity	17,960	17,584	14,877	13,568	12,883
Pre-provision operating income (IBPT)	1,232	3,227	2,717	2,554	2,652
Net Income	865	1,919	1,134	1,162	1,153
Net Interest Income / Risk Weighted Assets (%)	5.88%	5.63%	5.49%	4.94%	4.14%
Risk-Weighted Earning Capacity (%)	2.62%	2.86%	2.81%	2.29%	2.32%
Post-provision Risk-Weighted Earning Capacity (%)	2.51%	2.41%	1.78%	0.87%	1.16%
Efficiency Ratio (%)	64.78%	61.98%	60.18%	63.60%	59.51%
Impaired Loans % Gross Loans	2.69%	2.69%	2.91%	2.97%	3.19%
Core Tier 1 (As-reported)	16.20%	15.53%	14.07%	14.40%	12.10%

Source: SNL Financials

Issuer Description

ABN AMRO Group N.V. provides a wide range of Retail Banking, Private Banking and Corporate Banking products and services, primarily in the Netherlands and selectively abroad. At end-June 2016, ABN AMRO Group N.V. had total assets of EUR 418.9 billion.

Rating Rationale

On September 16, 2016, DBRS Ratings Limited (DBRS) upgraded the ratings of ABN AMRO Bank N.V. (ABN AMRO Bank or the Bank), including the Long-Term Debt & Deposits ratings to A (high) from 'A', and the ratings of ABN AMRO Group N.V. (ABN AMRO or the Group), including the Issuer & Long-Term Debt ratings to 'A' from A (low). The trend on all ratings is now Stable. The Intrinsic Assessment (IA) for ABN AMRO Bank is A (high), while the support assessment remained SA3. As a result, the Bank's final ratings were positioned in line with the IA.

The ratings upgrade reflected the progress achieved by the Group in recent years, which has resulted in a well-positioned retail and commercial banking franchise and stable financial profile. The ratings take into account the Group's good asset quality, relative earnings stability and solid risk profile. Although DBRS expects the Group to face some earnings pressure from the current challenging operating environment, DBRS views the Group as well positioned relative to global peers.

The Group's ratings are underpinned by ABN AMRO's good market position in the Netherlands, and solid commercial and merchant banking franchise, which has notable strength in targeted niche businesses, such as clearing and Energy, Commodities and Transportation (ECT). ABN AMRO is ranked among the top three Dutch banks across the majority of banking products, with a number one position in new mortgage production in 2015, number two position in savings and leading market share in Dutch SME lending. The Group is also a leading private bank in the Netherlands and the Eurozone. The ratings also consider the Group's continued progress with its repositioning, illustrated by the successful initial public offering (IPO) in November 2015. Following the IPO, and the subsequent exercise of the overallotment option, a total of 23% of the Group's depositary receipts representing ordinary shares were listed on the Euronext Amsterdam exchange.

ABN AMRO has demonstrated good earnings generation in recent years, underpinned by its well-positioned franchise in the Netherlands, and solid corporate banking operations. ABN AMRO reported statutory income before provisions and tax (IBPT) of EUR 3.2 billion in 2015, up 19% year-on-year (YoY), as the Group experienced strong income growth across both Private and Corporate Banking. Although statutory IBPT has tracked lower in 1H16, down 33% YoY to EUR 1.2 billion, DBRS notes that this is in line with peers, as results have been impacted by both the challenging operating environment and a EUR 271 million one-off charge net of tax related to the compensation of SME clients with interest rate derivatives. DBRS also positively notes that, despite the operating environment, the Group maintained solid net interest income growth in 1H16, particularly in Retail Banking, and as a result, reported a net interest margin (NIM) of 1.52% in 1H16, up 7 basis points (bps) YoY.

ABN AMRO's asset quality continues to improve. This is reflected in the Group's customer impaired loan ratio of 2.7% at end-1H16, down from 2.9% at end-2014, as improvements in the domestic operating environment resulted in a 17% reduction in impaired exposures in the consumer loan portfolio, and a 6% reduction in residential mortgages. DBRS also notes that the Group's lending exposure to sectors and geographies experiencing increased stress, such as energy, appears manageable. At end-1H16, only approximately EUR 4 billion of the Group's ECT on- and off-balance sheet exposure is estimated by ABN AMRO to be directly exposed to oil price risk. DBRS will, however, continue to monitor these exposures.

The Group's funding and liquidity position has also strengthened further in recent years, with the loan to deposit ratio reducing to 108% at end-1H16, from 125% in 2012, following good customer deposit growth. ABN AMRO also maintains a significant liquidity buffer that totalled EUR 79.6 billion at end-1H16, which is approximately four times in excess of the Group's wholesale funding with a maturity of less than one year. DBRS also notes that the Liquidity Coverage Ratio (LCR) remained above 100% at end-1H16.

ABN AMRO has strengthened its capital position in recent years through solid internal capital generation. At end-1H16, ABN AMRO reported a fully-loaded common equity tier (CET1) ratio of 16.2%, comfortably above the Group's current fully-loaded regulatory requirement, and a leverage ratio of 3.7%. Although there are still a number of regulatory developments outstanding, including the introduction of Minimum Requirement for Own Fund and Eligible Liabilities (MREL), DBRS considers that ABN AMRO is relatively well positioned to meet these challenges. At end-1H16, ABN AMRO reported MREL of 6.8%, based solely on equity and subordinated instruments.

Franchise Strength

ABN AMRO is one of the three leading banks in the highly concentrated Dutch market with a substantial retail and commercial franchise based on its solid brand and well-established reputation. The Group, which is the result of the 2010 merger of the state-owned portions of the former ABN AMRO Bank N.V. and Fortis Bank (Nederland) N.V, focuses on serving retail banking clients in the Netherlands and meeting the commercial banking needs of Dutch clients in the Netherlands and abroad, while seeking leading positions in a limited number of niche global businesses.

Ownership Structure

Following the successful IPO of ABN AMRO Group N.V. on 20 November 2015, and the subsequent exercise of the overallotment option, a total of 23% of the Group's depositary receipts representing ordinary shares were listed on the Euronext Amsterdam exchange. The remaining 77% of shares continue to be held by NL Financial Investments (NLFL), which manages the shares on behalf of the Dutch State.

Business Segments

In order to improve transparency, ABN AMRO re-organised its reporting businesses in 2014 into four distinct segments: Retail Banking; Private Banking; Corporate Banking; and Group Functions. Group Functions includes the support and control functions: Technology, Operations & Property Services (TOPS); Finance including ALM/Treasury; Risk Management & Strategy; People, Regulations & Identity (PR&I), Group Audit and Corporate Office.

Retail Banking (56% of Group's net underlying profit excluding Group Functions in 1H16)

The Retail Banking segment represents the main contributor to the Group's total operating income and net profit. With around 260 branches across the Netherlands, ABN AMRO offers a full range of retail banking products, including savings, investments, mortgages, credit cards and insurance products to approximately 5 million Dutch mass retail & mass affluent clients, and 300,000 small businesses with annual turnover of up to EUR 1 million, through a service called YourBusiness Banking. The Group has a strong franchise in the Netherlands, with ABN AMRO the primary bank for 21% of the Dutch population, and estimated market shares (by the Group) in new mortgages lending of approximately 20%. In 1H16, retail banking recorded a net underlying profit of EUR 674 million, down marginally YoY principally reflecting increased regulatory levies.

Private Banking (8% of Group's net underlying profit excluding Group Functions in 1H16)

At end-1H16, the Private Banking business had EUR 192.8 billion of Assets under Management (AuM), under the brand name ABN AMRO MeesPierson in the Netherlands, internationally under ABN AMRO Private Banking and well recognised local brands, such as Banque Neuflize OBC (NOBC) in France and Bethmann Bank in Germany. In 1H16, private banking recorded a net underlying profit of EUR 96 million, down 40% YoY, as regulatory expenses increased and income was impacted by the difficult operating environment.

Corporate Banking (36% of Group's net underlying profit excluding Group Functions in 1H16)

Previously known as Commercial & Merchant Banking, ABN AMRO's Corporate Banking business comprises of three sub segments:

i. **Commercial Clients (32% of Group's net underlying profit excluding Group Functions in 1H16)**
Commercial Clients, which combines the former Business Banking and Corporate Clients business lines, serves Netherlands-based business clients with revenues from EUR 1 million to EUR 250 million, in addition to offering asset-based financing to clients in the Netherlands and selected countries in Europe. ABN AMRO's Real Estate & Public Sector clients, Lease and Commercial Finance activities are also incorporated in Commercial Clients. In 1H16, Commercial Clients reported a net underlying profit of EUR 382 million, up from EUR 105 million in 1H15, driven principally by a EUR 123 million net release of impairment charges.

ii. **International Clients (6% of Group's net underlying profit excluding Group Functions in 1H16)**
International Clients, which was formerly part of the Merchant Banking division, serves business clients with revenues exceeding EUR 250 million, as well as Energy, Commodities & Transportation (ECT) Clients, Diamond & Jewelry Clients, and Financial Institutions clients. ABN AMRO is well-positioned in ECT Clients, which builds on the Netherlands' historical role as a hub in global trade by offering asset-based and commodity financing solutions to clients active in the full value chain of energy, commodities and transportation sectors. In 1H16, International Clients reported a net underlying profit of EUR 73 million, down 65% YoY, reflecting both a 12% YoY decrease in operating income and a significant increase in impairment charges to EUR 126 million, as a result of increased stress in the ECT portfolio.

iii. **Capital Markets Solutions (Net underlying loss of EUR 19 million in 1H16)**
Capital Markets Solutions consists of Sales and Trading (S&T) and ABN AMRO Clearing. S&T focuses primarily on supporting Commercial Clients and International Clients by strengthening the principal bank relationship, whilst also actively supporting growth plans for ECT Clients in the US and Europe, and Financial Institutions in France, Germany and the UK. ABN AMRO Clearing processes and manages international securities and derivatives transactions, on and off-exchanges, and is among the

global leaders in both derivatives and equities clearing, making it a key part of the global financial infrastructure. In 1H16, Capital Markets Solutions reported a net underlying loss of EUR 19 million, compared with a net underlying profit of EUR 39 million in 1H15, driven in part by lower results from S&T activities.

Earnings Power

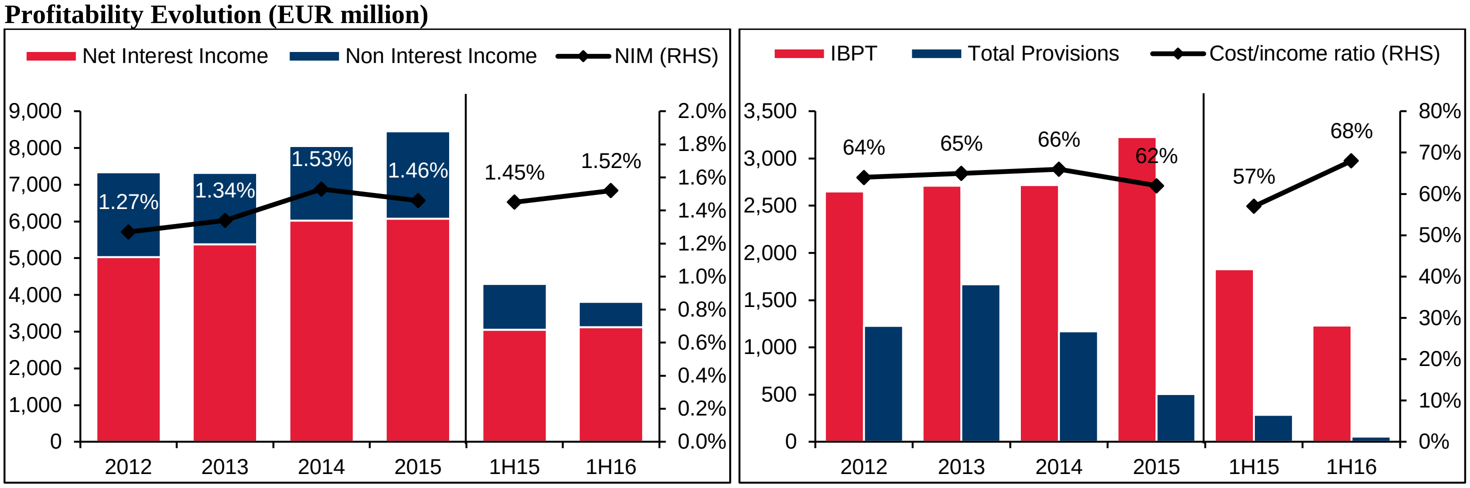
ABN AMRO has demonstrated good earnings generation in recent years, underpinned by its well-positioned franchise in the Netherlands, and solid corporate banking operations.

In 2015, ABN AMRO reported statutory income before provisions and tax (IBPT) of EUR 3.2 billion, a 19% increase YoY, as the Group experienced strong income growth across both Private and Corporate Banking. Although statutory IBPT has tracked lower in 1H16, down 33% YoY to EUR 1.2 billion, DBRS notes that this is in line with peers, as results have been impacted by both the challenging operating environment and a EUR 271 million one-off charge net of tax related to ABN AMRO's adoption of the framework for compensation of SME clients with interest rate derivatives, as presented by a committee established by the Dutch Minister of Finance. DBRS also positively notes that, despite the operating environment, the Group maintained solid net interest income growth in 1H16, particularly in Retail Banking, and as a result, reported a net interest margin (NIM) of 1.52% in 1H16, up 7 basis points (bps) YoY.

Risk costs have continued to improve for ABN AMRO, with impairment charges down 57% YoY to EUR 505 million in 2015, or 19 bps of average customer loans, with improvements noted across mortgages, consumer and corporate loans. As economic conditions in the Netherlands have continued to improve, the trend of reduced risk costs continued in 1H16, with an 80% YoY decrease to EUR 56 million, or 4 bps of average customer loans, which is well below the Group's estimated through-the-cycle average of approximately 25-30 bps.

Expense control remains a key target for the Group, especially in light of recent elevated regulatory costs. ABN AMRO spent EUR 220 million on regulatory costs in 2015, split between the National Resolution Fund (EUR 119 million), the Dutch bank tax (EUR 98 million) and the Deposit Guarantee Scheme (EUR 3 million), and a further EUR 110 million in 1H16. As a result of the high regulatory costs, ABN AMRO's underlying cost-income ratio, which excludes special one-off items like the additional SME derivative charge (1H16) and pension settlement charges (2014), remained above the Group's internal target range of 56-60% by 2017, at 61.8% in both 2015 and 1H16. Whilst the statutory cost-income ratio in 2015 remained 61.8% due to an absence of special items, it totalled 67.7% in 1H16. DBRS does, however, note positively that in light of the current environment, and in order to finance further selective growth, ABN AMRO announced additional planned cost savings in 1H16 of approximately EUR 200 million over the next four years, with a significant portion to be realised over the short-term.

Profitability Evolution (EUR million)



Source: Company data, DBRS

Risk Profile

DBRS views ABN AMRO's risk profile as relatively low, consistent with its retail and commercial banking franchise, with 81% of total risk weighted assets (RWAs) being credit-linked. The customer lending portfolio, which at end-1H16 totalled EUR 269.7 billion, excluding notional cash pooling, is generally well diversified by product and sector, although geographically the credit risk exposure is concentrated primarily in the Netherlands (73%). Exposures outside the domestic market are mainly focused on the rest of Europe, including Germany, France, Belgium, and the United Kingdom while exposure to Euro periphery sovereigns remains marginal.

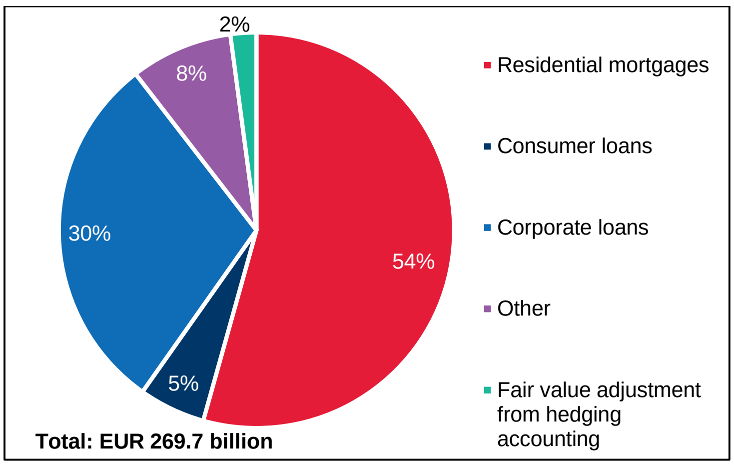
Reflecting ABN AMRO's lending diversification, DBRS views the Group's overall asset quality as solid. The Group reported an impaired loan ratio of 2.7% at end-1H16, down from 2.9% at end-2014, as improvements in the domestic operating environment supported a 35% reduction in impaired exposures in residential mortgages, and an 18% reduction in the consumer loan portfolio.

DBRS does, however, note an increase in the stock of impaired exposures in ABN AMRO's corporate loans portfolio in 1H16, as a result of new impaired files in the Group's ECT Clients portfolio. ABN AMRO's ECT lending, including off-balance sheet commitments, totalled EUR 38.6 billion at end-1H16. Whilst the challenging operating environment, especially in energy markets, has resulted in a trebling of ECT-related impairment charges in 1H16, to EUR 141 million, the portfolio appears well diversified with the Group estimating that only EUR 4 billion is directly exposed to oil price risk. The increase in impaired exposures in 1H16 also reverses a recent trend of improving credit quality in the Group's corporate loan portfolio, which totalled EUR 93.5 billion at end-1H16. This has been supported in part by improvements in the Group's commercial real estate (CRE) portfolio, which also includes social housing, with the impaired loan ratio down to 5.0% at end-2015, compared to 5.5% at end-2014.

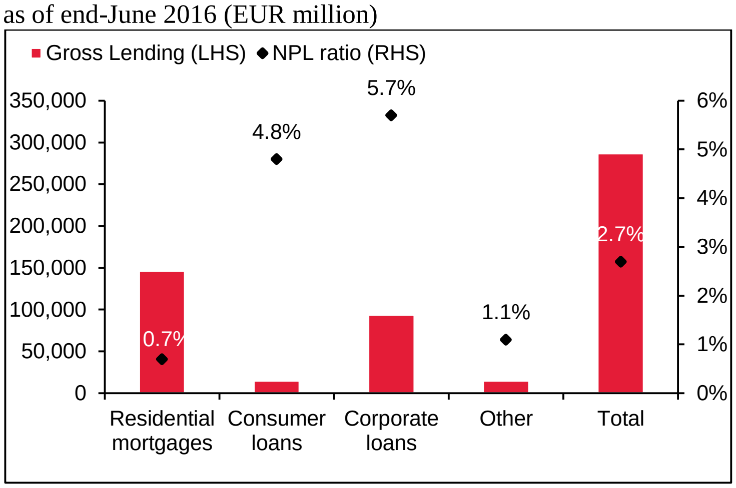
As of end-1H16, the Group's total mortgage portfolio, excluding the fair value adjustment for hedge accounting, was EUR 146.6 billion, of which 26% is guaranteed through the Nationale Hypotheek Garantie (NHG) scheme. Fully interest-only mortgages account for 21% of the total portfolio. Overall, the average Loan-To-Value (LtV) of the residential mortgage portfolio was down marginally in 1H16, to 79% at end-1H16, reflecting house price developments and partial redemptions. The performance of the Group's residential mortgage portfolio continues to be strong, with an impaired loan ratio of only 0.7% at end-1H16.

The Group has limited market risk exposure (3% of RWAs) with the trading book having an average undiversified VaR (value at risk) of EUR 5.1 million in 2Q16 and a maximum undiversified VaR in 2Q16 of EUR 8.6 million.

Gross Loan Portfolio (excl. Notional Cash Pooling)
as of end-June 2016



Impaired Loans % of Gross Loans
as of end-June 2016 (EUR million)



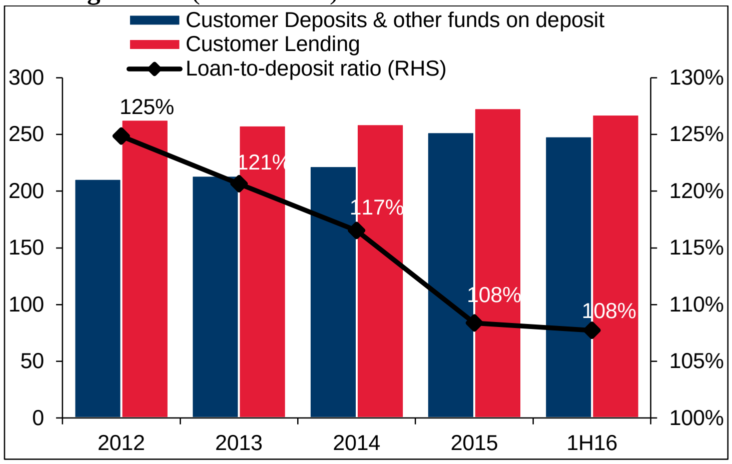
Source: Company data, DBRS

Funding and Liquidity

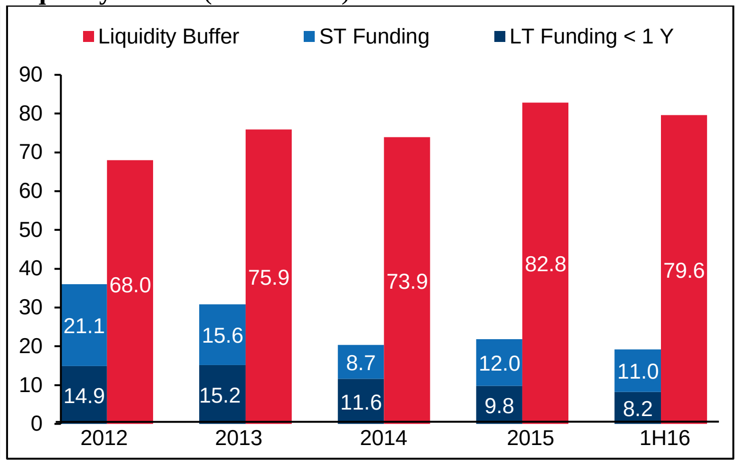
The Group's funding profile is viewed by DBRS as solid, reflecting the strong core retail and private banking funding base and well diversified wholesale funding sources. Following good deposit growth in recent years, ABN AMRO reported a loan-to-deposit (LTD) ratio of 108% at end-1H16, down significantly from 125% at end-2012. Retail Banking in the Netherlands remains the main source of funding for the Group, accounting for 44% of customer deposits at end-1H16. DBRS also views positively the continued shift in wholesale funding usage from RMBS asset encumbrance, to more senior unsecured funding, as reflected in the continued decrease in percentage of total encumbered assets to 15.7% at end-2015, compared with 19.1% at end-2011.

ABN AMRO also maintains a significant liquidity buffer totalling EUR 79.6 billion at end-1H16. The liquidity buffer comprises 40% government bonds, 31% retained residential mortgage backed securities (RMBS), 14% cash and central bank deposits, with covered bonds and other liquid assets accounting for the remainder. As a result of the significant holdings of retained RMBS, only 69% of ABN AMRO's liquidity buffer is eligible for Liquidity Coverage Ratio (LCR). DBRS does, however, note that ABN AMRO's LCR was above 100% at end-1H16, and that the liquidity buffer is approximately 4x bigger than the Group's wholesale funding with a maturity of less than one year, which totalled EUR 19.2 billion at end-1H16. The Group's Net Stable Funding Ratio (NSFR) also remained above 100% at end-1H16, meaning that ABN AMRO is already compliant with the minimum requirement under Basel 3.

Funding Profile (EUR billion)



Liquidity Profile (EUR billion)



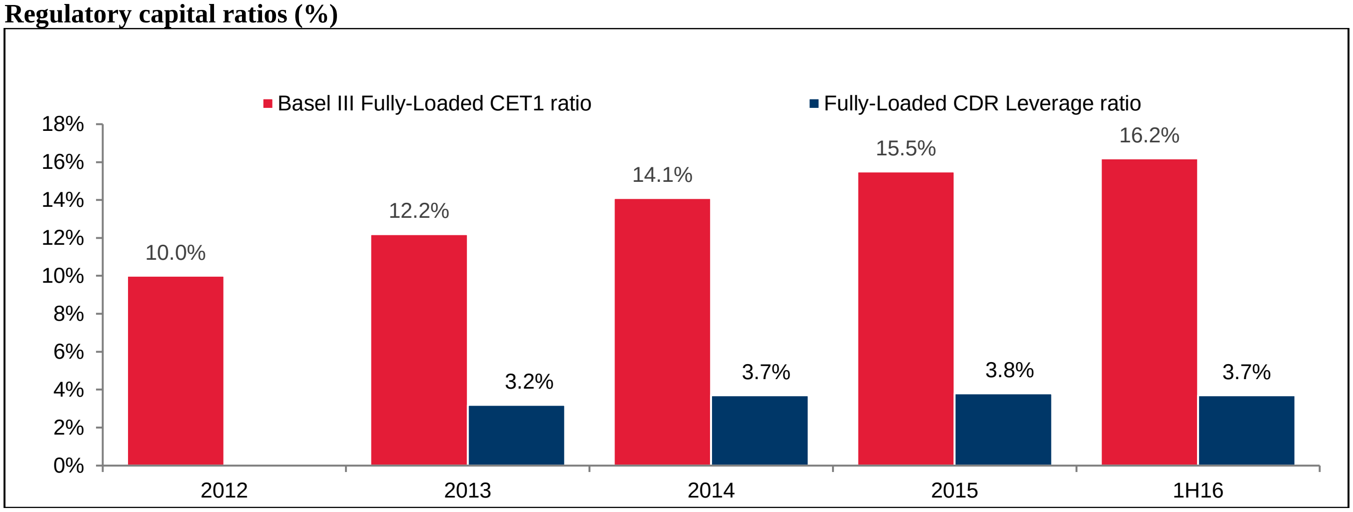
Source: Company data, DBRS

Capitalisation

DBRS continues to view ABN AMRO as demonstrating solid capitalisation. At end-1H16, the Group's fully-loaded CRDIV Common Equity Tier 1 (CET1) ratio was 16.2%, ahead of both the Group's internal fully-loaded CET1 target of between 11.5%-13.5% by 2017, and its end-2018 fully-loaded CET1 requirement of 12.5%, which consists of a 9.5% SREP, as calculated in 2016, and a 3% Dutch systemic risk buffer.

The Group's fully-loaded Commission Delegated Regulation (CDR) leverage ratio was 3.7% at end-1H16, down 10 bps from end-2015 reflecting seasonal balance sheet volatility. Although marginally lower than peers and below the Group's internal 2018 target of 4% or greater, DBRS notes that the current calculation of the leverage ratio denominator, and specifically the calculation of derivative exposures and credit conversion factors of off-balance sheet items, remains under review by the Basel Committee. ABN AMRO notes in its disclosure that a revision to the calculation method of derivative exposures could potentially result in a 45 bps increase in the fully-loaded leverage ratio at end-1H16, not including any potential offsetting effects of an adjustment to the credit conversion factors of off-balance sheet items.

Regulatory capital ratios (%)



Source: Company data, DBRS

Despite ABN AMRO's solid position, capital remains a key focus given the evolving regulatory environment, including the introduction of a Minimum Requirement for Own Fund and Eligible Liabilities (MREL) from January 2020, and proposed revisions by the Basel Committee on Banking Supervision (BCBS) of the standardised and the internal ratings based (IRB) approach for credit. Any potential change to residential real estate and SME risk weights could impact the Group's regulatory capital ratios, and as result, DBRS will continue to monitor the developments closely. For further information on the BCBS's proposed changes to capital requirements, please see: [DBRS: Basel Capital Requirements – What's Changing?]

DBRS notes that at end-1H16, ABN AMRO held MREL of 6.8%, based solely on equity and subordinated instruments, against an ambition of greater than 8% by 2018. DBRS also notes ABN AMRO expects to meet this target through subordinated debt and capital retention. ABN AMRO also performed well in the 2016 EBA stress test. On a fully-loaded CET1 basis, ABN AMRO's modelled CET1 ratio under the adverse scenario fell, from a starting point of 15.4% at end-2015, to a low of 9.53% in 2018, which compares to an average of 9.2% for the European banks included within the stress scenario.

ABN AMRO Group NV	30/06/2016		31/12/2015		31/12/2014		31/12/2013		31/12/2012	
	EUR		EUR		EUR		EUR		EUR	
EUR Millions	IFRS		IFRS		IFRS		IFRS		IFRS	
Balance Sheet										
Cash and deposits with central banks	12,773	3.05%	26,195	6.45%	706	0.17%	9,523	2.56%	9,796	2.49%
Lending to/deposits with credit institutions	17,152	4.09%	15,680	3.86%	21,680	5.26%	23,967	6.44%	32,183	8.17%
Financial Securities*	85,292	20.36%	62,291	15.35%	68,173	16.53%	57,460	15.45%	56,494	14.35%
- Trading portfolio	4,439	1.06%	1,686	0.42%	8,196	1.99%	10,987	2.95%	5,971	1.52%
- At fair value	914	0.22%	770	0.19%	589	0.14%	530	0.14%	375	0.10%
- Available for sale	45,478	10.86%	39,772	9.80%	40,877	9.91%	27,581	7.41%	21,355	5.42%
- Held-to-maturity	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
- Other	34,461	8.23%	20,063	4.94%	18,511	4.49%	18,362	4.94%	28,793	7.31%
Financial derivatives instruments	23,351	5.57%	19,138	4.72%	25,285	6.13%	14,271	3.84%	21,349	5.42%
- Fair Value Hedging Derivatives	5,274	1.26%	4,403	1.08%	5,555	1.35%	2,423	0.65%	4,095	1.04%
- Mark to Market Derivatives	18,077	4.31%	14,735	3.63%	19,730	4.78%	11,848	3.18%	17,254	4.38%
Gross lending to customers	275,445	65.75%	279,216	68.80%	293,154	71.06%	263,035	70.70%	269,082	68.34%
- Loan loss provisions	3,970	0.95%	4,355	1.07%	4,761	1.15%	4,975	1.34%	5,512	1.40%
Insurance assets	2,893	0.69%	2,543	0.63%	2,453	0.59%	2,171	0.58%	2,170	0.55%
Investments in associates/subsidiaries	783	0.19%	778	0.19%	1,136	0.28%	1,082	0.29%	1,011	0.26%
Fixed assets	1,362	0.33%	1,366	0.34%	1,412	0.34%	1,426	0.38%	1,519	0.39%
Goodwill and other intangible assets	257	0.06%	263	0.06%	255	0.06%	195	0.05%	223	0.06%
Other assets	3,603	0.86%	2,727	0.67%	3,037	0.74%	3,867	1.04%	5,443	1.38%
Total assets	**418,940**	**100.00%**	**405,840**	**100.00%**	**412,530**	**100.00%**	**372,022**	**100.00%**	**393,758**	**100.00%**
Total assets (USD)	464,972		440,795		499,371		512,568		519,264	
Loans and deposits from credit institutions	12,214	2.92%	14,630	3.60%	15,744	3.82%	11,626	3.13%	16,935	4.30%
Repo Agreements in Deposits from Customers	NA	-	NA	-	NA	-	NA	-	NA	-
Deposits from customers	240,942	57.51%	245,819	60.57%	241,673	58.58%	207,584	55.80%	201,605	51.20%
- Demand	128,071	30.57%	134,632	33.17%	135,415	32.83%	100,151	26.92%	93,682	23.79%
- Time and savings	112,714	26.90%	111,027	27.36%	106,114	25.72%	107,086	28.78%	107,580	27.32%
Issued debt securities	99,637	23.78%	87,579	21.58%	91,049	22.07%	100,948	27.13%	114,569	29.10%
Financial derivatives instruments	27,016	6.45%	22,425	5.53%	30,449	7.38%	17,227	4.63%	27,508	6.99%
- Fair Value Hedging Derivatives	10,665	2.55%	9,466	2.33%	12,246	2.97%	7,378	1.98%	11,132	2.83%
- Other	16,351	3.90%	12,958	3.19%	18,203	4.41%	9,849	2.65%	16,376	4.16%
Insurance liabilities	3,031	0.72%	2,697	0.66%	2,636	0.64%	2,551	0.69%	2,571	0.65%
Other liabilities	6,928	1.65%	5,397	1.33%	7,774	1.88%	10,601	2.85%	7,951	2.02%
- Financial liabilities at fair value through P/L	1,670	0.40%	1,715	0.42%	1,981	0.48%	2,071	0.56%	2,321	0.59%
Subordinated debt	11,214	2.68%	8,453	2.08%	7,043	1.71%	6,614	1.78%	8,521	2.16%
Hybrid Capital	0	0.00%	1,255	0.31%	1,285	0.31%	1,303	0.35%	1,215	0.31%
Equity	17,960	4.29%	17,584	4.33%	14,877	3.61%	13,568	3.65%	12,883	3.27%
Total liabilities and equity funds	**418,941**	**100.00%**	**405,839**	**100.00%**	**412,530**	**100.00%**	**372,022**	**100.00%**	**393,758**	**100.00%**
Income Statement										
Interest income	6,371		13,207		13,376		13,383		13,979	
Interest expenses	3,253		7,130		7,353		8,003		8,951	
Net interest income and credit commissions	3,118	78.32%	6,076	71.86%	6,023	74.77%	5,380	73.46%	5,028	68.52%
Net fees and commissions	866	21.75%	1,829	21.63%	1,691	20.99%	1,643	22.43%	1,556	21.20%
Trading / FX Income	-343	-8.62%	99	1.17%	174	2.16%	106	1.45%	263	3.58%
Net realised results on investment securities (available for sale)	NA	-	NA	-	NA	-	29	0.40%	53	0.72%
Net results from other financial instruments at fair value	NA	-	NA	-	NA	-	-7	-0.10%	-24	-0.33%
Net income from insurance operations	NA	-	NA	-	NA	-	NA	-	NA	-
Results from associates/subsidiaries accounted by the equity method	26	0.65%	1	0.01%	51	0.63%	46	0.63%	74	1.01%
Other operating income (incl. dividends)	315	7.91%	450	5.32%	117	1.45%	127	1.73%	388	5.29%
Total operating income	3,981	100.00%	8,455	100.00%	8,055	100.00%	7,324	100.00%	7,338	100.00%
Staff costs	1,234	47.85%	2,492	47.67%	2,684	50.28%	2,320	48.64%	2,151	45.90%
Other operating costs	1,258	48.78%	2,559	48.95%	2,450	45.90%	2,171	45.51%	2,269	48.42%
Depreciation/amortisation	86	3.33%	177	3.39%	204	3.82%	229	4.80%	266	5.68%
Total operating expenses	2,579	100.00%	5,228	100.00%	5,338	100.00%	4,770	100.00%	4,686	100.00%
Pre-provision operating income	**1,232**		**3,227**		**2,717**		**2,554**		**2,652**	
Loan loss provisions**	56		505		1,171		983		1,228	
Post-provision operating income	1,176		2,722		1,546		1,571		1,424	
Impairment on tangible assets	0		0		0		0		0	
Impairment on intangible assets	0		0		0		0		0	
Other non-operating items***	0		0		0		0		0	
Pre-tax income	1,176		2,722		1,546		1,571		1,424	
(-)Taxes	310		798		412		411		271	
(-)Other After-tax Items (Reported)	0		0		0		0		0	
(+)Discontinued Operations (Reported)	0		0		0		0		0	
(-)Minority interest	1		5		0		-2		0	
Net income	**865**		**1,919**		**1,134**		**1,162**		**1,153**	
Net income (USD)	965		2,130		1,507		1,543		1,482	

*Includes derivatives when breakdown unavailable, **LLP includes Impairments on financial assets, ***Incl. Other Provisions

Off-balance sheet and other items	30/06/2016	31/12/2015	31/12/2014	31/12/2013	31/12/2012
Asset under management	192,800	199,200	190,600	168,300	163,100
Derivatives (notional amount)	1,287,232	1,250,719	1,100,179	930,411	928,915
BIS Risk-weighted assets (RWA)	106,137	108,001	109,647	109,012	121,506
No. of employees (end-period)	21,939	22,048	22,215	22,289	23,059
Earnings and Expenses					
Earnings					
Net interest margin [1]	1.51%	1.41%	1.56%	1.40%	1.27%
Yield on average earning assets	3.08%	3.07%	3.47%	3.47%	3.51%
Cost of interest bearing liabilities	1.79%	1.99%	2.06%	2.44%	2.61%
Pre-provision earning capacity (total assets basis) [2]	0.68%	0.77%	0.81%	0.67%	0.69%
Pre-provision earning capacity (risk-weighted basis) [3]	2.62%	2.86%	2.81%	2.29%	2.32%
Net Interest Income / Risk Weighted Assets	5.88%	5.63%	5.49%	4.94%	4.14%
Non-Interest Income / Total Revenues	21.68%	27.90%	24.67%	27.50%	29.11%
Post-provision earning capacity (risk-weighted basis)	2.51%	2.41%	1.78%	0.87%	1.16%
Expenses					
Efficiency ratio (operating expenses / operating income)	64.78%	61.98%	60.18%	63.60%	59.51%
All inclusive costs to revenues [4]	69.82%	61.82%	65.90%	56.48%	61.06%
Operating expenses by employee	235,106	236,892	216,565	211,764	183,052
Loan loss provision / pre-provision operating income	3.99%	15.76%	36.78%	61.87%	49.97%
Provision coverage by net interest income	5567.86%	1203.17%	514.35%	321.96%	350.38%
Profitability Returns					
Pre-tax return on Tier 1 (excl. hybrids)	13.78%	16.43%	10.18%	10.02%	9.69%
Return on equity	9.64%	10.92%	7.63%	8.57%	8.96%
Return on average total assets	0.42%	0.46%	0.29%	0.29%	0.28%
Return on average risk-weighted assets	1.62%	1.71%	1.00%	0.99%	0.93%
Dividend payout ratio [5]	NA	NA	NA	NA	NA
Internal capital generation [6]	NA	NA	NA	NA	NA
Growth					
Loans	-2.46%	-4.69%	11.75%	-2.09%	-3.55%
Deposits	-3.97%	1.72%	16.42%	2.97%	-5.62%
Net interest income	2.03%	0.88%	11.95%	7.00%	0.60%
Fees and commissions	-6.48%	8.16%	2.92%	5.59%	-14.08%
Expenses	4.62%	8.56%	1.93%	11.82%	-20.40%
Pre-provision earning capacity	-23.35%	0.63%	17.88%	-5.95%	24.49%
Loan-loss provisions	-80.49%	-56.87%	-29.92%	16.45%	62.88%
Net income	-24.26%	69.22%	-2.41%	0.78%	73.38%
Risks					
RWA% total assets	25.33%	26.61%	26.58%	29.30%	30.86%
Credit Risks					
Impaired loans % gross loans	2.69%	2.69%	2.91%	2.97%	3.19%
Loss loan provisions % impaired loans	55.42%	59.29%	NA	63.77%	64.21%
Impaired loans (net of LLPs) % pre-provision operating income [7]	125.75%	107.77%	NA	129.36%	124.06%
Impaired loans (net of LLPs) % equity	19.63%	21.15%	NA	28.49%	30.54%
Liquidity and Funding					
Customer deposits % total funding	66.19%	68.96%	67.98%	63.53%	59.01%
Total wholesale funding % total funding [8]	33.81%	31.04%	32.02%	36.47%	40.99%
- Interbank % total funding	3.36%	4.10%	4.43%	3.56%	4.96%
- Debt securities % total funding	27.37%	24.57%	25.61%	30.89%	33.54%
- Subordinated debt % total funding	3.08%	2.37%	1.98%	2.02%	2.49%
Short-term wholesale funding % total wholesale funding	9.92%	40.27%	43.08%	44.99%	52.56%
Liquid assets % total assets	27.50%	25.67%	21.95%	24.45%	25.01%
Net short-term wholesale funding reliance [9]	-33.91%	-19.76%	-12.89%	-13.28%	-8.42%
Adjusted net short-term wholesale funding reliance [10]	-33.91%	-19.76%	-12.89%	-29.01%	-19.56%
Customer deposits % gross loans	87.47%	88.04%	82.44%	78.92%	74.92%
Capital [11]					
Tier 1	17.01%	16.88%	14.58%	15.32%	12.92%
Tier 1 excl. All Hybrids	16.08%	15.31%	13.85%	14.40%	12.10%
Core Tier 1 (As-reported)	16.20%	15.53%	14.07%	14.40%	12.10%
Tangible Common Equity / Tangible Assets	3.99%	4.02%	3.54%	3.59%	3.16%
Total Capital	23.70%	21.70%	19.74%	20.18%	18.44%
Retained earnings % Tier 1	19.35%	16.81%	11.04%	27.30%	24.42%

[1] (Net interest income + dividends)% average interest earning assets.
[2] Pre-provision operating income % average total assets.
[3] Pre-provision operating income % average total risk-weighted assets.
[4] (Operating & non-op. costs) % (op. & non-op. revenues)
[5] Paid dividend % net income.
[6] (Net income - dividends) % shareholders' equity at t-1.
[7] We take into account the stock of LLPs in this ratio.
[8] Whole funding excludes corporate deposits.
[9] (Short-term wholesale funding - liquid assets) % illiquid assets
[10] (Short-term wholesale funding - liquid assets- loans maturing within 1 year) % illiquid assets
[11] Capital ratios of Interim results exclude profits for the year
* Interim information is annualised where needed.

Methodologies

The principal applicable methodology is the Global Methodology for Rating Banks and Banking Organisations (July 2016). Other applicable methodologies include the DBRS Criteria – Support Assessments for Banks and Banking Organisations (March 2016), Rating Bank Capital Securities – Subordinated, Hybrid, Preferred & Contingent Capital Securities (February 2016) and Critical Obligations Rating Criteria (February 2016).

Ratings

Issuer	Debt	Rating	Rating Action	Trend
ABN AMRO Group N.V.	Issuer & Long-Term Debt	A	Upgraded	Stable
ABN AMRO Group N.V.	Short-Term Debt	R-1 (low)	Confirmed	Stable
ABN AMRO Bank N.V.	Long-Term Debt & Deposits	A (high)	Upgraded	Stable
ABN AMRO Bank N.V.	Short-Term Debt & Deposits	R-1 (middle)	Upgraded	Stable
ABN AMRO Bank N.V.	Long Term Critical Obligations Rating	AA	Upgraded	Stable
ABN AMRO Bank N.V.	Short Term Critical Obligations Rating	R-1 (high)	Upgraded	Stable
ABN AMRO Bank N.V.	6.5% Bank Bonds Due 2017	A (high)	Upgraded	Stable
ABN AMRO Bank N.V.	Dated Subordinated Debt	A	Upgraded	Stable
ABN AMRO Bank N.V.	6.375% Sub Notes Due 2021	A	Upgraded	Stable
ABN AMRO Bank N.V.	4.7% Sub Notes Due 2022	A	Upgraded	Stable
ABN AMRO Bank N.V.	6.25% Sub Notes Due 2022	A	Upgraded	Stable
ABN AMRO Bank N.V.	6.250% Sub Notes Due 2022	A	Upgraded	Stable
ABN AMRO Bank N.V.	7.125% Sub Notes Due 2023	A	Upgraded	Stable
ABN AMRO Bank N.V.	7.75% Sub Notes Due 2023	A	Upgraded	Stable
ABN AMRO Bank N.V.	Floating Rate Sub Notes Due 2017	A	Upgraded	Stable
ABN AMRO Bank N.V.	Floating Rate Sub Notes Due 2020	A	Upgraded	Stable

Rating History

		Current	2015	2014	2013
ABN AMRO Group N.V.	Issuer & Long-Term Debt	A	A (low)	A	A
ABN AMRO Group N.V.	Short-Term Debt	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)
ABN AMRO Bank N.V.	Long-Term Debt & Deposits	A (high)	A	A (high)	A (high)
ABN AMRO Bank N.V.	Short-Term Debt & Deposits	R-1 (middle)	R-1 (low)	R-1 (middle)	R-1 (middle)
ABN AMRO Bank N.V.	Long Term Critical Obligations Rating	AA	-	-	-
ABN AMRO Bank N.V.	Short Term Critical Obligations Rating	R-1 (high)	-	-	-
ABN AMRO Bank N.V.	6.5% Bank Bonds Due 2017	A (high)	A	A (high)	A (high)
ABN AMRO Bank N.V.	Dated Subordinated Debt	A	A (low)	A (low)	-
ABN AMRO Bank N.V.	6.375% Sub Notes Due 2021	A	A (low)	A (low)	-
ABN AMRO Bank N.V.	4.7% Sub Notes Due 2022	A	A (low)	A (low)	-
ABN AMRO Bank N.V.	6.25% Sub Notes Due 2022	A	A (low)	A (low)	-
ABN AMRO Bank N.V.	6.250% Sub Notes Due 2022	A	A (low)	A (low)	-
ABN AMRO Bank N.V.	7.125% Sub Notes Due 2023	A	A (low)	A (low)	-
ABN AMRO Bank N.V.	7.75% Sub Notes Due 2023	A	A (low)	A (low)	A
ABN AMRO Bank N.V.	Floating Rate Sub Notes Due 2017	A	A (low)	A (low)	A
ABN AMRO Bank N.V.	Floating Rate Sub Notes Due 2020	A	A (low)	A (low)	A

Previous Actions

- DBRS Upgrades ABN AMRO Bank to A (high), Trend Now Stable, September 16, 2016
- DBRS Assigns Critical Obligations Ratings to 33 European Banking Groups, February 4, 2016
- DBRS Comments on ABN AMRO Rating Actions – Trend Revised to Positive, September 29, 2015
- DBRS Downgrades 31 European Banking Groups due to Removal of Systemic Support Uplift, September 29, 2015

Related Research

- DBRS: Hanjin's Collapse Could Hurt European Shipping Lenders, September 19, 2016
- DBRS Publishes 1H16 Dutch Bank Earnings Roundup, August 25, 2016
- DBRS: ABN AMRO 2Q16 Net Profit Down on One-off Charge; Underlying Performance Solid, August 23, 2016
- DBRS Releases Commentary: Developments in European Resolution Frameworks and their Impact on Bank Creditors, July 29, 2016

Previous Report

- ABN AMRO Group N.V., October 9, 2015

Notes:
All figures are in EUR unless otherwise noted.

For the definition of Issuer Rating, please refer to Rating Definitions under Rating Policy on www.dbrs.com.

Generally, Issuer Ratings apply to all senior unsecured obligations of an applicable issuer, except when an issuer has a significant or unique level of secured debt.

Ratings assigned by DBRS Ratings Limited are subject to EU regulations only.

This is an unsolicited rating. This credit rating was not initiated at the request of the issuer.