ABN·AMRO

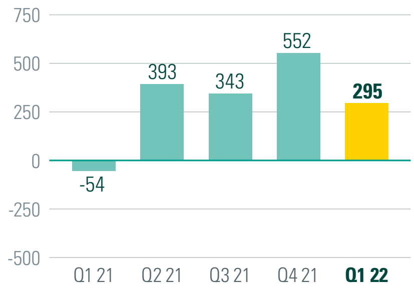
Quarterly Report

ABN AMRO Bank N.V.

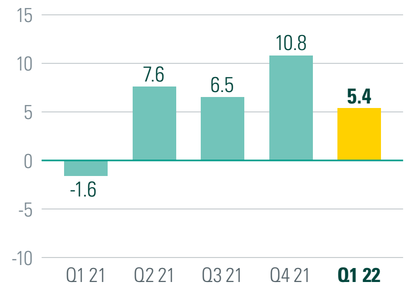
First quarter 2022

Figures at a glance

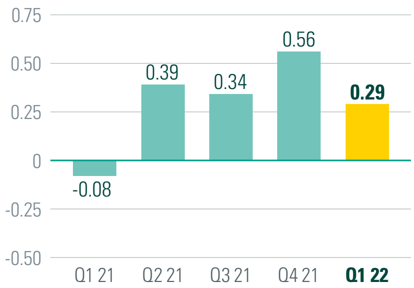
Net profit/(loss)
(in millions)



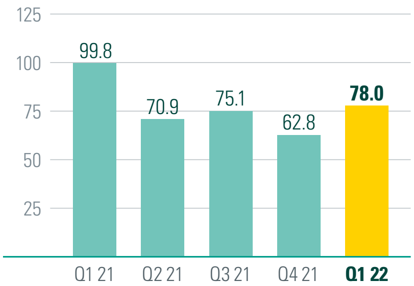
Return on equity
(in %) Target is 8%



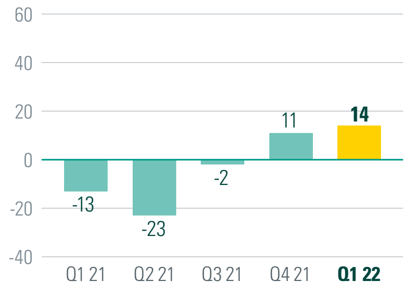
Earnings per share
(in EUR)



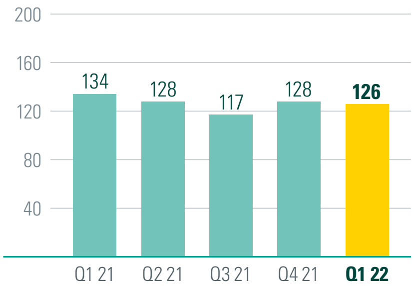
Cost/income ratio
(in %)



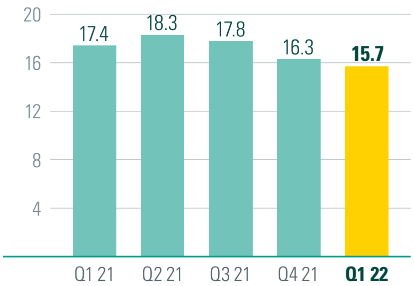
Cost of risk
(in bps) Through-the-cycle around 20bps



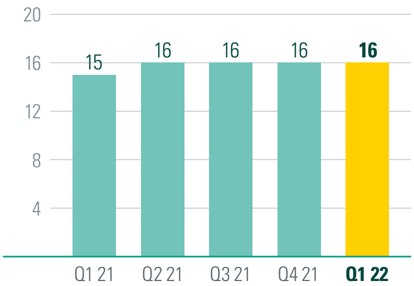
Net interest margin
(in bps)



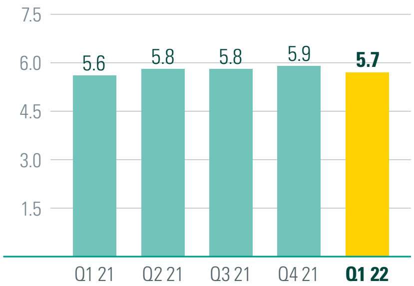
CET1 ratio (Basel III)
(end-of-period, in %)



CET1 ratio (Basel IV)
(end-of-period, in %) Target is 13%



Leverage ratio (CRR2)
(end-of-period, in %)



For more information about net profit, return on equity, earnings per share, cost/income ratio, cost of risk and net interest margin, please refer to the Financial review section.
For more information about CET1 ratio (Basel III and Basel IV) and leverage ratio, please refer to the Capital management section.

Message **from the CEO**

Our world changed significantly in the last quarter. The war in Ukraine shook our sense of security and stability, causing further economic uncertainty and sharp inflation. Our thoughts are with all those affected by the war and we aim to provide support where possible. Thanks to a joint effort with other Dutch banks and supervisory authorities, refugees from Ukraine can now open a Dutch bank account with ABN AMRO so they can receive living allowances or wages. The long-term consequences of the conflict are still difficult to assess. ABN AMRO's direct exposure to Russia is very limited, but we expect that second-order effects such as higher energy and food prices, supply chain issues, sanctions on trade with Russia, increased cybersecurity concerns will have impact on our clients. We are closely monitoring the situation and proactively reaching out to clients.

Meanwhile, Dutch society reopened fully during the first quarter of 2022 and we saw the negative impact of the global pandemic decrease. Demand for credit was good and both our mortgage and corporate loan books grew. Our market share in mortgages increased to 17%.

In the first quarter of 2022 we delivered a solid performance, with a net profit of EUR 295 million. Net interest income was EUR 1,310 million, mainly due to lower prepayment penalties and higher hedging costs. Fee income increased by 10% compared with Q1 2021, driven by higher asset management fee income and strong results at Clearing. Costs were higher due to an additional EUR 50 million AML provision and higher regulatory levies. We are making progress in our AML remediation programmes; however, more effort is required than expected and the programmes will continue into 2023. The Dutch central bank has been informed about these developments and is closely monitoring our progress. Our strategic investments remained elevated at the beginning of the year as we continued to focus on implementing our new client service model. We remain fully committed to our cost target of below EUR 4.7 billion in 2024.

Credit quality remains strong. Impairments in Q1 were EUR 62 million as we updated the macroeconomic scenarios. A management overlay for potential second-order effects of the war in Ukraine was offset by Covid-related releases. Risk-weighted assets increased by EUR 6.7 billion, mainly due to a EUR 5.0 billion add-on for model reviews and redevelopments. Our capital position remains strong, with a fully-loaded Basel III CET1 ratio of 15.7% and a Basel IV CET1 ratio of around 16%. We have finalised our first share buyback programme, which was announced in February.

We are a personal bank in the digital age, with our strategic pillars – customer experience, sustainability and future-proof bank – as our guiding principles. To enhance the customer experience, we engage with our clients on a 'digital first' basis to deliver the highest level of convenience, while providing expertise when it matters. Already 95% of all daily banking products are available remotely, mainly online, supported by telephone and video banking. We have launched a new client interaction platform that allows us to switch quickly and easily between different communication channels such as telephone and chat, enabling us to serve our clients better and more efficiently.

We continue to develop new propositions for our clients. By pooling commitments, we give Wealth Management clients access to private equity funds at a relatively low minimum subscription fee, allowing them to build a more diversified portfolio. For clients moving house, we have introduced a mortgage allowing these clients to rent out their former home previously financed with an ABN AMRO or Florius mortgage. This ensures that clients who want to rent out their property can do so in a responsible and informed manner.

Sustainability is core to our purpose and our strategy. We aim to use our expertise to help overcome the challenges of current times, building a long-term sustainable business model. We see opportunities for our clients as new business models emerge and aim to contribute. To accelerate the integration of sustainability across the bank, we have established a Sustainability Centre of Excellence, focusing on climate, circularity and social impact. The climate transition is gaining momentum and we are evaluating and reviewing our plans to combat climate change and accelerate the energy transition together with our clients. We will present our updated climate strategy later this year.

We are building a future-proof bank, digital by design. To give clients insight into their options when they are considering buying a home, we offer a tool to calculate their budget in detail. Clients can contact an advisor via live chat or video banking and start a mortgage application from the tool, increasing the likelihood of them choosing our bank for their next mortgage. Tikkie is now also available as a payment option for conversational commerce, i.e. the sale of products using communication channels such as WhatsApp. Tikkie serves as an alternative to going to the webshop for payment, so the entire customer journey – from chatting with the retailer to payment – can be executed in WhatsApp.

In light of our investments in easy, fast and secure payment methods for our clients, we will raise our payment fees in July.

As we increasingly automate the bank, our workforce will decrease over the next few years. To retain talent while offering new career perspectives, we have set up reskilling tracks in areas that are key to the execution of our strategy and where we expect shortages, such as data, digital and AML. A first group of 40 colleagues have switched to a new job, working and learning at the same time.

Recent research commissioned by ABN AMRO has revealed that some of ABN AMRO's predecessors were involved in slavery during the 18th and 19th centuries. While we cannot undo that period of our history, we continue to explore how we can help improve the structural social disadvantages facing descendants of enslaved persons, for example by providing work experience, traineeships and debt relief programmes.

With the aim of helping to improve social inequality, we have committed to offering jobs to 60 refugees with residence permits over the next three years, including coaching and training through our Reboot programme. In addition, extra workplaces are being sought for Ukrainian refugees.

In the current environment, we are confident that as a well-capitalised bank with a clear strategy we are in a strong position to adapt to developments while continuing to support our clients. I would like to thank our staff for their unwavering commitment to supporting our clients as we continue our journey as a personal bank in the digital age.

Robert Swaak
CEO of ABN AMRO Bank N.V.

Financial review

This financial review includes a discussion and analysis of the results and sets out the financial position of ABN AMRO.

Results

Financial highlights

- Net profit for the period was EUR 295 million (Q1 2021: EUR 54 million negative), reflecting solid performance.
- Net interest income was lower than in the previous quarter, reflecting lower TLTRO benefit, lower mortgage prepayment penalties and higher steering costs at Treasury. The threshold for charging negative interest rates was lowered to EUR 100,000 as from January 2022, offsetting the pressure on deposit margins this quarter.
- Net fee and commission income improved 10% compared to Q1 2021, driven by higher asset management fee income and recovered payment services and credit card usage.
- Operating expenses included a EUR 50 million additional provision for AML remediation programmes, higher investments in IT and higher regulatory levies.
- Credit quality continued to remain strong. Impairment charges were EUR 62 million, reflecting the weakened macroeconomic outlook and potential second-order effects of the war in Ukraine.
- Strong capital position, with the Basel III CET1 ratio at 15.7% and Basel IV CET1 ratio at around 16%, including a EUR 5.0 billion RWA add-on for planned model reviews and redevelopments.
- First share buyback programme of EUR 500 million finalised in May.

Operating results

(in millions)	Q1 2022	Q1 2021	Change	Q4 2021	Change
Net interest income	1,310	1,363	-4%	1,339	-2%
Net fee and commission income	447	406	10%	446	
Other operating income	176	79	124%	499	-65%
Operating income	**1,933**	**1,847**	**5%**	**2,284**	**-15%**
Personnel expenses	600	579	4%	571	5%
Other expenses	908	1,264	-28%	863	5%
Operating expenses	**1,508**	**1,843**	**-18%**	**1,433**	**5%**
Operating result	**425**	**4**		**851**	**-50%**
Impairment charges on financial instruments	62	-77		121	-49%
Profit/(loss) before taxation	**363**	**81**		**729**	**-50%**
Income tax expense	68	135	-50%	177	-62%
Profit/(loss) for the period	**295**	**-54**		**552**	**-47%**
Attributable to:					
Owners of the parent company	295	-54		552	-47%
Other indicators					
Net interest margin (NIM) (in bps)	126	134		128	
Cost/income ratio	78.0%	99.8%		62.8%	
Cost of risk (in bps)[1]	14	-13		11	
Return on average equity[2]	5.4%	-1.6%		10.8%	
Earnings per share (in EUR)[3,4]	0.29	-0.08		0.56	
Client assets (end of period, in billions)	304.7	300.4		313.6	
Risk-weighted assets (end of period, in billions)	124.3	112.0		117.7	
Number of employees (end of period, in FTEs)	20,086	19,417		19,957	
Number of non-employees (end of period, in FTEs)	6,438	5,648		6,524	

[1] Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding fair value adjustments from hedge accounting.
[2] Annualised profit/(loss) for the period, excluding payments attributable to AT1 capital securities and results attributable to non-controlling interests, divided by the average equity attributable to the owners of the company excluding AT1 capital securities.
[3] Annualised profit/(loss) for the period, excluding payments attributable to AT1 capital securities and results attributable to non-controlling interests, divided by the average outstanding and paid-up ordinary shares.
[4] For Q1 2022, the average number of outstanding shares amounted to 933,384,775.

Large incidentals

Q1 2022
Additional TLTRO discount
Q1 2022 included EUR 44 million for additional TLTRO discount interest income (Q4 2021: EUR 93 million). Given that we met the benchmark, we booked an additional discount of 50bps on the borrowing rate for the period June 2021 to June 2022. In accordance with the day count convention, the total discount of EUR 177 million has been split between EUR 93 million for 2021 and EUR 85 million for 2022. This benefit is being entirely passed on to our clients.

Provision for AML remediation programmes
Other expenses in Q1 2022 included a EUR 50 million addition to the provision for AML remediation programmes, recorded mainly at Group Functions. We are making progress in our AML remediation programmes; however, more effort is required than expected and the programmes will continue into 2023. The Dutch central bank has been informed about these developments and is closely monitoring our progress.

Q4 2021 & Q1 2021
Provision for revolving consumer credit with floating interest rates
Q4 2021 included a EUR 88 million addition to the provision for the compensation scheme regarding revolving consumer credit with floating interest rates, recorded in Retail Banking, consisting of EUR 91 million for a net interest income provision, EUR 6 million for handling costs and a EUR 9 million release on credit impairments.

Sale and leaseback of our head office in Amsterdam
Q4 2021 included a gain of EUR 327 million (EUR 245 million net of tax) for the sale and leaseback of our office at the Gustav Mahlerlaan in Amsterdam, recorded in other operating income at Group Functions.

AML settlement
Q1 2021 included EUR 480 million regarding the AML settlement with the Netherlands Public Prosecution Service (NPPS), recorded in other expenses at Group Functions. The settlement was non-tax deductible and consisted of a fine of EUR 300 million and a disgorgement of EUR 180 million.

First-quarter 2022 results

Net interest income amounted to EUR 1,310 million in Q1 2022 (EUR 1,363 million in Q1 2021) and included EUR 44 million for the additional TLTRO discount. Excluding large incidentals, net interest income was EUR 97 million lower than in Q1 2021, mainly due to continued pressure on deposit margins and the ongoing wind-down of the CB non-core portfolio. This was partly mitigated by a rise in mortgage prepayment penalties in 2021 (before interest rates started to rise) and by lowering the threshold for charging negative interest rates (EUR 100,000 as from January 2022).
The net interest margin amounted to 126bps in Q1 2022 (Q1 2021: 134bps), predominantly impacted by lower net interest income and, to a lesser extent, higher total assets.
In comparison with Q4 2021, net interest income declined by EUR 29 million. Excluding large incidentals, the decline in net interest income was mainly attributable to lower mortgage prepayment penalties and higher steering costs at Treasury.

Net fee and commission income increased to EUR 447 million in Q1 2022 (Q1 2021: EUR 406 million), mainly driven by higher asset management fee income at Wealth Management as positive stock market developments during 2021 pushed up assets under management and the related fees. In addition, higher market volatility at Clearing and higher payment service income at Personal & Business Banking also contributed to strong net fee and commission income.
Compared to Q4 2021, net fee and commission income remained broadly stable.

Other operating income totalled EUR 176 million in Q1 2022 (Q1 2021: EUR 79 million). Volatile items amounted to EUR 91 million in Q1 2022 (Q1 2021: EUR 5 million) and consisted of significantly higher equity participation results (EUR 31 million in Q1 2022 versus EUR 17 million negative in Q1 2021), hedge accounting-related results and other asset and liability management results (EUR 43 million in Q1 2022 versus EUR 6 million negative in Q1 2021), partly offset by lower CVA/DVA/FVA[1] results (EUR 17 million in Q1 2022 versus EUR 28 million in Q1 2021). Excluding volatile items, other operating income rose by EUR 11 million, mainly reflecting the USD currency effect in Q1 2022.
In comparison with Q4 2021, other operating income, excluding large incidentals, remained broadly flat.

Personnel expenses amounted to EUR 600 million in Q1 2022, an increase of EUR 21 million (Q1 2021: EUR 579 million) driven mainly by a rise in FTEs for AML activities and strategy execution (IT related), combined with overall wage inflation.

[1] Credit Valuation Adjustment/Debit Valuation Adjustment/Funding Valuation Adjustment (CVA/DVA/FVA).

Other expenses amounted to EUR 908 million in Q1 2022 (Q1 2021: EUR 1,264 million). Excluding large incidentals, expenses grew by EUR 75 million, largely driven by higher external staffing costs relating to AML activities, higher regulatory levies (EUR 21 million) and investments in IT, as we continued to focus on implementing our new client service model.
Compared to Q4 2021, other expenses excluding large incidentals remained broadly stable, despite seasonally higher regulatory levies this quarter.

Impairment charges totalled EUR 62 million in Q1 2022 (Q1 2021: EUR 77 million negative), reflecting updated macroeconomic scenarios. A new management overlay taken for the potential second-order effects of the war in Ukraine was partly offset by the release of a stage override and a management overlay taken for clients in sectors vulnerable to impact of Covid-19-related restrictions.

Income tax expenses were EUR 68 million in Q1 2022 (Q1 2021: EUR 135 million), while profit before tax amounted to EUR 363 million, resulting in an effective tax rate of 19%. This low effective rate compared to the Dutch corporate income tax rate of 25.8% is explained by gains on participations qualifying for the participation exemption and tax deductible interest paid on AT1 instruments.

Profit attributable to owners of the parent company, excluding coupons attributable to AT1 capital securities, amounted to EUR 272 million in Q1 2022, largely supported by our solid operational performance and moderating impairments.

RWA increased by EUR 6.7 billion to EUR 124.3 billion in Q1 2022 (Q4 2021: EUR 117.7 billion) and was largely attributable to increased credit risk RWA, including a EUR 5.0 billion add-on for planned model reviews and redevelopments.

Balance sheet

Condensed consolidated statement of financial position

(in millions)	31 March 2022	31 December 2021
Cash and balances at central banks	74,309	66,865
Financial assets held for trading	2,063	1,155
Derivatives	3,655	3,785
Financial investments	41,633	43,165
Securities financing	27,036	16,138
Loans and advances banks	3,642	2,801
Loans and advances customers	258,685	258,251
Other	10,472	6,955
Total assets	**421,495**	**399,113**
Financial liabilities held for trading	884	687
Derivatives	3,786	4,344
Securities financing	18,872	9,494
Due to banks	40,969	38,076
Due to customers	261,980	251,218
Issued debt	56,414	59,688
Subordinated liabilities	7,416	7,549
Other	8,840	6,059
Total liabilities	**399,161**	**377,114**
Equity attributable to the owners of the parent company	22,328	21,994
Equity attributable to non-controlling interests	5	5
Total equity	**22,333**	**21,999**
Total liabilities and equity	**421,495**	**399,113**
Committed credit facilities	53,582	54,642
Guarantees and other commitments	7,532	7,598

Main developments in total assets compared with 31 December 2021

Total assets increased by EUR 22.4 billion, totalling EUR 421.5 billion at 31 March 2022. The increase was mainly driven by higher securities financing assets (seasonally), and higher cash and balances at central bank.

Securities financing assets went up by EUR 10.9 billion to EUR 27.0 billion at 31 March 2022, reflecting a seasonal pattern.

Loans and advances customers increased by EUR 0.4 billion, to EUR 258.7 billion. This increase was mainly driven by a rise in client and professional loans, which was partly offset by negative fair value adjustments from hedge accounting as a result of the sharp increase in long-term interest rates this quarter.

Other assets went up by EUR 3.5 billion to EUR 10.5 billion at 31 March 2022, mainly as a result of pending transactions and timing settlements.

Loans and advances customers

(in millions)	31 March 2022	31 December 2021
Residential mortgages	147,101	146,351
Consumer loans	10,704	10,794
Corporate loans to clients[1]	79,169	77,965
- of which Personal & Business Banking	*9,863*	*9,920*
- of which Corporate Banking	*63,483*	*62,230*
- of which Corporate Banking - core	*61,621*	*60,269*
- of which Corporate Banking - non-core	*1,862*	*1,961*
Total client loans[2]	**236,974**	**235,110**
Loans to professional counterparties and other loans[3]	25,692	23,605
Total loans and advances customers, gross[2]	**262,666**	**258,715**
Fair value adjustments from hedge accounting	-1,534	1,951
Total loans and advances customers, gross	**261,132**	**260,666**
Loan impairment allowances	2,448	2,416
- of which Corporate Banking - non-core	*425*	*443*
Total loans and advances customers	**258,685**	**258,251**

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

Client loans increased by EUR 1.9 billion to EUR 237.0 billion at 31 March 2022. The increase mainly reflected an increase in corporate loans (mainly new business volumes) and residential mortgages, while redemptions remained high.

Loans to professional counterparties and other loans increased by EUR 2.1 billion, totalling EUR 25.7 billion, mainly due to seasonal effects (as clients brought down their positions before 2021 year-end).

Main developments in total liabilities and equity compared with 31 December 2021

Total liabilities went up by EUR 22.0 billion to EUR 399.2 billion at 31 March 2022, mainly driven by an increase in amounts due to customers and securities financing liabilities.

Due to customers rose EUR 10.8 billion, totalling EUR 262.0 billion at 31 March 2022. This increase was largely caused by seasonally higher professional deposits (as clients brought down their positions before the year-end).

Issued debt declined by EUR 3.3 billion to EUR 56.4 billion at 31 March 2022, mainly due to matured long-term funding and negative fair value effects resulting from rising interest rates, which were partly offset by the issuance of EUR 1.3 billion in covered bonds and EUR 1.0 billion in senior non-preferred funding.

At 31 March 2022, issued debt included EUR 29.1 billion in covered bonds, EUR 11.0 billion in senior preferred funding, EUR 6.6 billion in senior non-preferred funding and EUR 9.7 billion in commercial paper and certificates of deposit. EUR 4.0 billion in outstanding long-term funding and EUR 9.7 billion in outstanding short-term funding matures within 12 months.

Other liabilities went up by EUR 2.8 billion to EUR 8.8 billion at 31 March 2022, mainly as a result of pending transactions and timing settlements.

Total equity increased by EUR 0.3 billion to EUR 22.3 billion at 31 March 2022. This increase was mainly attributable to the inclusion of profit for the period and an increase in other comprehensive income, which were partly offset by EUR 0.3 billion of share buybacks in Q1 2022.

Equity attributable to owners of the parent company, excluding AT1 securities, increased by EUR 0.3 billion to EUR 20.3 billion at 31 March 2022, resulting in a book value of EUR 21.79 per share based on an average of 933,384,775 outstanding shares (31 December 2021: 940,000,001 outstanding shares).

Results **by segment**

Personal & Business Banking

Highlights

- Net interest income was lower than in Q1 2021, largely due to continued margin pressure on client deposits. Interest income on residential mortgages declined further as margins narrowed amid severe market competition and redemptions on mortgages with relatively high margins.
- Mortgage volumes showed an increase in Q1 2022, on the back of rising house prices and market rates. Our market share of new production in residential mortgages was 17% in Q1 2022 (Q1 2021: 17% and Q4 2021: 15%).
- Net fee and commission income increased to EUR 120 million in Q1 2022 (Q1 2021: EUR 102 million) driven by higher payment service income (rising payment activities) and rising credit card activities at ICS, following the recovery from Covid-19.
- Operating expenses at EUR 656 million were broadly stable compared with Q1 2021, as higher regulatory levies were more than offset by a decline in the allocation of expenses from Group Functions.
- We introduced a mortgage allowing existing clients to rent out their former home previously financed with an ABN AMRO or Florius mortgage, ensuring these clients rent out their former property responsibly.

Operating results

(in millions)	Q1 2022	Q1 2021	Change	Q4 2021	Change
Net interest income	652	731	-11%	578	13%
Net fee and commission income	120	102	18%	121	-1%
Other operating income	5	9	-42%	10	-48%
Operating income	**777**	**842**	**-8%**	**709**	**10%**
Personnel expenses	115	117	-2%	113	1%
Other expenses	541	547	-1%	601	-10%
Operating expenses	**656**	**664**	**-1%**	**715**	**-8%**
Operating result	**122**	**178**	**-32%**	**-5**	
Impairment charges on financial instruments	-4	-29	86%	36	
Profit/(loss) before taxation	**126**	**207**	**-39%**	**-42**	
Income tax expense	31	49	-35%	7	
Profit/(loss) for the period	**94**	**159**	**-41%**	**-49**	
Cost/income ratio	84.4%	78.9%		100.8%	
Cost of risk (in bps)[1]	1	-10		7	
Other indicators					
Loans and advances customers (end of period, in billions)	156.0	156.8		155.8	
-of which Client loans (end of period, in billions)[2]	*156.6*	*157.6*		*156.6*	
Due to customers (end of period, in billions)	117.9	117.9		117.3	
Risk-weighted assets (end of period, in billions)	39.5	35.0		40.3	
Number of employees (end of period, in FTEs)	4,603	4,733		4,704	
Total client assets (end of period, in billions)	97.0	101.4		99.7	
- of which Cash	*85.3*	*90.0*		*87.3*	
- of which Securities	*11.7*	*11.4*		*12.4*	

1 Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding fair value adjustments from hedge accounting.
2 Gross carrying amount excluding fair value adjustment from hedge accounting.

Wealth Management

Highlights

- Net interest income remained broadly stable compared to Q1 2021, reflecting continued pressure on deposit margins, largely offset by the lower threshold for charging negative interest on client deposits.
- Net fee and commission income increased EUR 21 million on Q1 2021, largely supported by higher asset management fee income on the back of favourable stock market developments in 2021 and an increase in net new assets (EUR 2.8 billion since Q1 2021, mainly securities).
- Operating expenses were EUR 10 million higher than in Q1 2021, mainly as a result of an increase in personnel expenses and external staffing costs.
- Net new assets amounted to EUR 1.7 billion this quarter, largely due to an increase in custody assets. Net new assets excluding custody assets declined by EUR 0.2 billion as a EUR 1.3 billion outflow in cash was largely offset by a EUR 1.1 billion inflow in securities.
- We introduced access to private equity funds for wealth management clients at a relatively low minimum subscription amount, allowing them to construct a more diversified investment portfolio.

Operating results

(in millions)	Q1 2022	Q1 2021	Change	Q4 2021	Change
Net interest income	158	162	-2%	153	3%
Net fee and commission income	162	141	15%	162	
Other operating income	10	10	-1%	17	-43%
Operating income	**330**	**312**	**6%**	**332**	**-1%**
Personnel expenses	97	93	4%	96	1%
Other expenses	154	148	4%	142	9%
Operating expenses	**251**	**241**	**4%**	**238**	**6%**
Operating result	**79**	**71**	**10%**	**94**	**-16%**
Impairment charges on financial instruments		-6		-1	
Profit/(loss) before taxation	**78**	**78**	**1%**	**95**	**-18%**
Income tax expense	23	24	-4%	30	-24%
Profit/(loss) for the period	**55**	**54**	**3%**	**65**	**-14%**
Cost/income ratio	76.2%	77.2%		71.8%	
Cost of risk (in bps)[1]	2	-17		2	
Other indicators					
Loans and advances customers (end of period, in billions)	16.2	14.8		15.9	
-of which Client loans (end of period, in billions)[2]	*16.3*	*15.0*		*16.0*	
Due to customers (end of period, in billions)	62.5	60.3		63.3	
Risk-weighted assets (end of period, in billions)	10.1	9.9		10.6	
Number of employees (end of period, in FTEs)	2,893	2,863		2,867	
Total client assets (end of period, in billions)	207.7	199.0		213.9	
- of which Cash	*62.5*	*60.4*		*63.3*	
- of which Securities	*145.2*	*138.6*		*150.6*	
Net new assets (for the period, in billions)	1.7	0.3		2.6	

[1] Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding fair value adjustments from hedge accounting.
[2] Gross carrying amount excluding fair value adjustment from hedge accounting.

Corporate Banking

Highlights

- Net interest income was higher than in Q1 2021, mainly as a result of an increase in average corporate loan volumes, which was partially offset by the further wind-down of the CB non-core loan portfolio.
- Net fee and commission income improved compared to Q1 2021, mainly due to higher income at Clearing resulting from increased market volatility.
- Operating expenses were higher than in Q1 2021, largely due to higher regulatory levies this quarter.
- Impairment charges for Corporate Banking amounted to EUR 65 million as the macroeconomic outlook deteriorated. An increase relating to potential second-order effects of the war in Ukraine was offset by the release of a management overlay that had been taken for clients in sectors vulnerable to impact of Covid-19-related restrictions. Overall, changes in management overlays therefore had a minimal impact.
- We opened a desk that offers clients our expertise on financing circular 'Product-as-a-Service' business models, supporting the transition to a circular economy.

Operating results

(in millions)	Q1 2022	Q1 2021	Change	Q4 2021	Change
Net interest income	494	483	2%	477	4%
Net fee and commission income	172	168	2%	168	2%
Other operating income	102	46	120%	120	-15%
Operating income	**768**	**698**	**10%**	**766**	
Personnel expenses	150	155	-3%	142	6%
Other expenses	336	318	6%	331	1%
Operating expenses	**486**	**473**	**3%**	**472**	**3%**
Operating result	**282**	**225**	**26%**	**293**	**-4%**
Impairment charges on financial instruments	65	-41		87	-24%
Profit/(loss) before taxation	**217**	**265**	**-18%**	**207**	**5%**
Income tax expense	45	68	-34%	38	18%
Profit/(loss) for the period	**172**	**198**	**-13%**	**169**	**2%**
Cost/income ratio	63.2%	67.8%		61.7%	
Cost of risk (in bps)[1]	37	-18		21	
Other indicators					
Loans and advances customers (end of period, in billions)	87.3	75.2		83.8	
-of which Client loans (end of period, in billions)[2]	*64.0*	*60.3*		*62.5*	
Due to customers (end of period, in billions)	68.3	53.8		64.4	
Risk-weighted assets (end of period, in billions)	65.0	62.6		62.4	
Number of employees (end of period, in FTEs)	3,830	3,884		3,857	

1 Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding fair value adjustments from hedge accounting.
2 Gross carrying amount excluding fair value adjustment from hedge accounting.

Core

(in millions)	Q1 2022	Q1 2021	Change	Q4 2021	Change
Net interest income	476	429	11%	456	5%
Net fee and commission income	168	157	7%	164	2%
Other operating income	95	82	16%	109	-12%
Operating income	**739**	**668**	**11%**	**728**	**2%**
Personnel expenses	122	113	8%	113	8%
Other expenses	312	270	16%	291	7%
Operating expenses	**435**	**384**	**13%**	**404**	**8%**
Operating result	**305**	**284**	**7%**	**324**	**-6%**
Impairment charges on financial instruments	74			75	-2%
Profit/(loss) before taxation	**230**	**284**	**-19%**	**248**	**-7%**
Income tax expense	48	62	-23%	51	-5%
Profit/(loss) for the period	**182**	**222**	**-18%**	**198**	**-8%**
Cost/income ratio	58.8%	57.5%		55.5%	
Cost of risk (in bps)[1]	43	3		30	
Other indicators					
Loans and advances customers (end of period, in billions)	85.8	68.3		82.3	
-of which Client loans (end of period, in billions)[2]	*62.2*	*52.2*		*60.5*	
Risk-weighted assets (end of period, in billions)	62.7	52.4		59.5	
Number of employees (end of period, in FTEs)	3,450	3,205		3,388	

1 Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding fair value adjustments from hedge accounting.
2 Gross carrying amount excluding fair value adjustment from hedge accounting.

Non-core

(in millions)	Q1 2022	Q1 2021	Change	Q4 2021	Change
Net interest income	18	55	-67%	22	-16%
Net fee and commission income	4	11	-62%	5	-6%
Other operating income	7	-36		11	-42%
Operating income	**29**	**30**	**-3%**	**38**	**-23%**
Personnel expenses	28	41	-33%	28	-2%
Other expenses	24	48	-51%	40	-41%
Operating expenses	**51**	**89**	**-43%**	**68**	**-25%**
Operating result	**-22**	**-59**	**63%**	**-31**	**28%**
Impairment charges on financial instruments	-9	-40	78%	11	
Profit/(loss) before taxation	**-13**	**-19**	**30%**	**-42**	**68%**
Income tax expense	-3	6		-13	75%
Profit/(loss) for the period	**-10**	**-24**	**59%**	**-29**	**65%**
Cost/income ratio	176.1%	297.4%		181.1%	
Cost of risk (in bps)[1]	-191	-179		-289	
Other indicators					
Loans and advances customers (end of period, in billions)	1.4	6.9		1.5	
-of which Client loans (end of period, in billions)[2]	*1.9*	*8.1*		*2.0*	
Risk-weighted assets (end of period, in billions)	2.3	10.2		2.9	
Number of employees (end of period, in FTEs)	380	679		469	

1 Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding fair value adjustments from hedge accounting.
2 Gross carrying amount excluding fair value adjustment from hedge accounting.

Group Functions

Highlights

- Net interest income for Q1 2022 totalled EUR 5 million, a decline compared to Q4 2021, reflecting a lower additional TLTRO discount (Q4 2021 contained a catch-up) and lower mortgage prepayment penalties.
- Other operating income, excluding large incidentals, was higher than in Q4 2021, mainly due to higher hedge accounting-related results.
- Operating expenses, excluding large incidentals, grew mainly as a result of a rise in FTEs for AML activities and strategy execution, and due to investments in IT.
- Loans and advances to customers came to EUR 0.8 billion negative, mainly due to negative fair value adjustments for hedge accounting resulting from the sharp increase in long-term interest rates this quarter.
- ABN AMRO continues to make progress on its remediation programmes, but more effort is required than expected and the programmes will continue into 2023 as we put quality and due process over speed.
- Currently around 5,000 FTEs are fully committed to AML activities, mostly centralised in Group Functions.

Operating results

(in millions)	Q1 2022	Q1 2021	Change	Q4 2021	Change
Net interest income	5	-13		130	-96%
Net fee and commission income	-7	-5	-25%	-6	-24%
Other operating income	59	14		352	-83%
Operating income	**57**	**-5**		**477**	**-88%**
Personnel expenses	238	214	11%	220	8%
Other expenses	-123	251		-211	42%
Operating expenses	**115**	**465**	**-75%**	**8**	
Operating result	**-57**	**-470**	**88%**	**469**	
Impairment charges on financial instruments					
Profit/(loss) before taxation	**-58**	**-469**	**88%**	**470**	
Income tax expense	-31	-5		102	
Profit/(loss) for the period	**-27**	**-464**	**94%**	**368**	
Other indicators					
Securities financing - assets (end of period, in billions)	17.7	20.6		10.5	
Loans and advances customers (end of period, in billions)	-0.8	3.8		2.7	
Securities financing - liabilities (end of period, in billions)	18.4	19.1		9.5	
Due to customers (end of period, in billions)	13.3	13.5		6.2	
Risk-weighted assets (end of period, in billions)	9.8	4.5		4.4	
Number of employees (end of period, in FTEs)	8,761	7,936		8,528	

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Condensed consolidated income statement

(in millions)	Q1 2022	Q1 2021	Q4 2021
Income			
Interest income calculated using the effective interest method	1,629	1,695	1,754
Other interest and similar income	62	51	71
Interest expense calculated using the effective interest method	357	361	361
Other interest and similar expense	23	22	124
Net interest income	**1,310**	**1,363**	**1,339**
Fee and commission income	584	532	563
Fee and commission expense	136	126	117
Net fee and commission income	**447**	**406**	**446**
Income from other operating activities	158	29	466
Expenses from other operating activities	33	35	35
Net income from other operating activities	**125**	**-6**	**432**
Net trading income	40	81	59
Share of result of equity-accounted investments	9	-8	11
Net gains/(losses) on derecognition of financial assets measured at amortised cost	2	11	-2
Operating income	**1,933**	**1,847**	**2,284**
Expenses			
Personnel expenses	600	579	571
General and administrative expenses	863	1,217	816
Depreciation, amortisation and impairment losses of tangible and intangible assets	45	47	46
Operating expenses	**1,508**	**1,843**	**1,433**
Impairment charges on financial instruments	62	-77	121
Total expenses	**1,570**	**1,766**	**1,555**
Profit/(loss) before taxation	**363**	**81**	**729**
Income tax expense	68	135	177
Profit/(loss) for the period	**295**	**-54**	**552**
Attributable to:			
Owners of the parent company	295	-54	552

Condensed consolidated statement of comprehensive income

(in millions)	Q1 2022	Q1 2021	Q4 2021
Profit/(loss) for the period	**295**	**-54**	**552**
Other comprehensive income:			
Items that will not be reclassified to the income statement			
Remeasurement gains/(losses) on defined benefit plans			22
(Un)realised gains/(losses) on liability own credit risk	6	4	6
Items that will not be reclassified to the income statement before taxation	**6**	**4**	**28**
Income tax relating to items that will not be reclassified to the income statement	2	1	7
Items that will not be reclassified to the income statement after taxation	**5**	**3**	**22**
Items that may be reclassified to the income statement			
(Un)realised gains/(losses) currency translation reserve through OCI	33	25	14
(Un)realised gains/(losses) fair value reserve through OCI	21	36	74
(Un)realised gains/(losses) cash flow hedge reserve through OCI	436	287	71
Share of other comprehensive income of associates	-4	3	
Items that may be reclassified to the income statement before taxation	**487**	**351**	**159**
Income tax relating to items that may be reclassified to the income statement	118	81	22
Items that may be reclassified to the income statement after taxation	**369**	**270**	**137**
Total comprehensive income/(expense) for the period after taxation	**669**	**219**	**710**
Attributable to:			
Owners of the parent company	669	219	710

Condensed consolidated statement of changes in equity

(in millions)	Share capital	Share premium	Other reserves including retained earnings	Accumulated other comprehensive income	Net profit/(loss) attributable to owners of the parent company	AT1 capital securities	Equity attributable to the owners of the parent company	Non-controlling interests	Total equity
Balance at 1 January 2021	**940**	**12,970**	**6,870**	**- 1,733**	**- 45**	**1,987**	**20,989**		**20,989**
Total comprehensive income				273	- 54		219		219
Transfer			- 45		45				
Paid interest on AT1 capital securities			- 46				- 46		- 46
Other changes in equity								3	3
Balance at 31 March 2021	**940**	**12,970**	**6,780**	**- 1,460**	**- 54**	**1,987**	**21,163**	**3**	**21,166**
Balance at 1 January 2022	**940**	**12,970**	**6,093**	**-1,227**	**1,231**	**1,987**	**21,994**	**5**	**21,999**
Total comprehensive income				374	295		669		669
Transfer			1,231		-1,231				
Share buyback[1]			-289				-289		-289
Paid interest on AT1 capital securities			-46				-46		-46
Other changes in equity			-1				-1		-1
Balance at 31 March 2022	**940**	**12,970**	**6,989**	**- 853**	**295**	**1,987**	**22,328**	**5**	**22,333**

[1] For more information on the share buyback, please refer to the Capital management chapter.

Accumulated other comprehensive income breaks down as follows:

(in millions)	Remeasurements on post-retirement benefit plans	Currency translation reserve	Fair value reserve	Cash flow hedge reserve	Accumulated share of OCI of associates and joint ventures	Liability own credit risk reserve	Total
Balance at 1 January 2021	**- 24**	**- 29**	**162**	**- 1,854**	**36**	**- 24**	**- 1,733**
Net gains/(losses) arising during the period		25	36	304	3	4	372
Less: Net realised gains/(losses) included in income statement				17			17
Net gains/(losses) in equity		**25**	**36**	**287**	**3**	**4**	**355**
Related income tax			9	72		1	82
Balance at 31 March 2021	**- 24**	**- 4**	**188**	**- 1,638**	**39**	**- 21**	**- 1,460**
Balance at 1 January 2022	**-6**	**38**	**239**	**-1,540**	**51**	**-9**	**-1,227**
Net gains/(losses) arising during the period		33	21	432	-4	6	488
Less: Net realised gains/(losses) included in income statement				-5			-5
Net gains/(losses) in equity		**33**	**21**	**436**	**-4**	**6**	**493**
Related income tax			5	113		2	120
Balance at 31 March 2022	**- 6**	**71**	**254**	**- 1,216**	**48**	**- 4**	**- 853**

Risk developments

Highlights

- The war in Ukraine exacerbated existing inflationary forces linked to high energy prices and supply chain bottlenecks.
- Despite deteriorating macroeconomic conditions and termination of Covid-19 support by the Dutch government, credit quality remained strong and increased monitoring did not reveal any immediate repayment issues.
- Nevertheless, the weakened macroeconomic outlook was the driving force behind a net impairment charge of EUR 62 million, which was mostly recorded in modelled impairments in stages 1 and 2.
- Risk-weighted assets increased as a result on a EUR 5.0 billion add-on for planned model reviews and redevelopments and larger credit exposure.

Key figures

(in millions)	31 March 2022	31 December 2021
Total loans and advances, gross carrying amount[1,2]	**266,240**	**261,421**
- of which Banks	*3,646*	*2,811*
- of which Residential mortgages[1]	*147,101*	*146,351*
- of which Consumer loans	*10,704*	*10,794*
- of which Corporate loans[1,2]	*89,163*	*86,458*
- of which Other loans and advances customers[2]	*15,626*	*15,007*
Total Exposure at Default (EAD)	**429,485**	**417,214**
Credit quality indicators[2]		
Forbearance ratio	4.2%	4.3%
Past due ratio	0.8%	0.8%
- of which Residential mortgages	*0.6%*	*0.6%*
- of which Consumer loans	*1.5%*	*1.7%*
- of which Corporate loans	*1.1%*	*1.2%*
Stage 2 ratio	7.9%	8.2%
Stage 2 coverage ratio	1.8%	1.7%
Stage 3 ratio[3]	2.5%	2.6%
Stage 3 coverage ratio[3]	28.2%	28.3%
Regulatory capital		
Total RWA	124,342	117,693
- of which Credit risk[4]	*106,167*	*99,976*
- of which Operational risk	*16,153*	*16,049*
- of which Market risk	*2,022*	*1,668*
Total RWA/total EAD	29.0%	28.2%
Mortgage indicators		
Exposure at Default[5]	161,997	163,737
- of which mortgages with Nationale Hypotheek Garantie (NHG)	*30,933*	*31,557*
Risk-weighted assets (Credit risk)[5,6]	22,164	22,110
RWA/EAD	13.7%	13.5%
Average Loan-to-Market-Value	55%	56%
Average Loan-to-Market-Value - excluding NHG loans	55%	56%

1 Excluding fair value adjustments from hedge accounting.
2 Excluding loans and advances measured at fair value through P&L.
3 Including POCI.
4 RWA for credit value adjustment (CVA) is included in credit risk. CVA per 31 March 2022: EUR 0.5 billion (31 December 2021: EUR 0.2 billion).
5 The RWA (Credit risk) 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.
6 Previous reports with reference date 31 December 2021 presented total RWA. In this report, the comparative figures for 31 December 2021 have been adjusted to show credit risk RWA only.

Impact of the war in Ukraine on our credit risk profile

ABN AMRO continues to monitor the direct and indirect impact of the conflict between Russia and Ukraine on the bank and its clients. The bank's direct exposure to Russia is approximately EUR 45 million, partly relating to assets of Russian clients outside Russia and to short-term trade transactions. We have no direct exposure in respect of Ukraine or Belarus.

An indirect (second-order) impact may come from clients affected by trade disruptions with Ukraine or Russia (due to sanctions), high energy and/or commodity prices, or supply chain or market/production disruptions. To address the risk of potential second-order effects, additional early warning criteria were defined in the credit risk monitoring process and an impairment charge of EUR 148 million was taken as a management overlay.

Loans and advances

In Q1 2022, total loans and advances grew to EUR 266.2 billion (31 December 2021: EUR 261.4 billion). This increase was visible in all loan types, except for consumer loans. Corporate loans showed the largest rise, predominantly as a result of increased business activities at Clearing.

The wind-down of the Corporate Banking non-core portfolio progressed well. The non-core portfolio amounted to EUR 1.9 billion at 31 March 2022 (31 December 2021: EUR 2.0 billion). Approximately EUR 0.6 billion of this portfolio was classified as stage 3, unchanged compared to 31 December 2021.

Exposure at Default

EAD grew to EUR 429.5 billion (31 December 2021: EUR 417.2 billion) predominantly owing to seasonal increases in securities financing. In addition, EAD increased due to cash and balances at central banks, absorbing a higher inflow of deposits.

Credit quality indicators

The impact of deteriorating macroeconomic conditions was not yet visible in credit quality, which remained largely unchanged since 31 December 2021. The forbearance ratio remained fairly stable at 4.2% (31 December 2021: 4.3%). Forborne exposures decreased from EUR 11.2 billion at 31 December 2021 to EUR 11.0 billion, specifically in residential mortgages. Approximately one third of the outflow related to loans that ceased to be forborne, and the remainder resulted from repayments.

The total past due exposure for loans and advances to customers was slightly lower at EUR 2.0 billion (31 December 2021: EUR 2.1 billion), representing a stable past due ratio of 0.8%. The consumer loan segment past due ratio improved slightly to 1.5% (31 December 2021: 1.7%), benefiting from a favourable job market in the Netherlands.

Coverage and stage ratios modestly declined in Q1 2022, except for the stage 2 coverage ratio that increased due to updated macroeconomic scenarios. More information can be found in the section Coverage and stage ratios.

Risk-weighted assets

Total RWA rose to EUR 124.3 billion in Q1 2022 (31 December 2021: EUR 117.7 billion), reflecting higher credit risk, market risk and operational risk RWA. Credit risk RWA was up as a result of a EUR 5.0 billion add-on for planned model reviews and redevelopments and, to a lesser extent, business developments, partially offset by improvements in asset quality.

Market risk RWA increased due to higher Stressed Value-at-Risk and Incremental Risk Charge resulting from position changes. Operational risk RWA went up due to an update of scenarios.

Impairments and cost of risk

	Q1 2022	Q1 2021	Q4 2021
Impairment charges on loans and other advances (in EUR million)[1]	62	-77	121
- of which Residential mortgages	*12*	*- 35*	*- 20*
- of which Consumer loans	*11*	*10*	*4*
- of which Corporate loans	*64*	*- 57*	*90*
- of which Off-balance sheet items	*- 16*	*12*	*38*
Cost of risk (in bps)[2,3]	14	-13	11
- of which Residential mortgages	*3*	*- 10*	*- 5*
- of which Consumer loans	*41*	*36*	*14*
- of which Corporate loans	*29*	*- 26*	*42*

1 Including other loans and impairments charges on off-balance sheet exposures.
2 Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers on the basis of gross carrying amount and excluding fair value adjustment from hedge accounting.
3 Calculation of CoR excludes (impairment charges on) off-balance exposures.

In Q1 2022, a net impairment charge of EUR 62 million was recorded (Q1 2021: EUR 77 million release), resulting in a cost of risk of 14bps (Q1 2021: -13bps). This amount can largely be attributed to updated macroeconomic scenarios. A new management overlay that was taken for potential second-order effects of the Russia-Ukraine conflict was offset by the release of management overlays taken for clients in sectors vulnerable to impact of Covid-19-related restrictions. These were released after Covid-19 restrictions were lifted in the Netherlands and analysis revealed no material differences between the coverage ratios of vulnerable and non-vulnerable sectors. In addition, we released part of a management overlay that captured expected credit risk deterioration due to Covid-19 in our Corporate Banking portfolio, as we deem this effect to be largely incorporated into our credit risk parameters.

Impairment charges for corporate loans were predominantly recorded for modelled provisions in stage 1 and 2 and were caused by the deteriorated macroeconomic outlook and increased weight of the negative scenario. Increases related to individual files were limited and the net effect of the changes in management overlays described above was a small release.

The deteriorated economic outlook was also the main driver of the impairment charges for residential mortgages and consumer loans. Impairments for consumer loans were also attributable to deterioration of risk parameters within our consumer lending portfolios.

Off-balance sheet items recorded a release of EUR 16 million and were mainly attributable to partial repayments for one client within Corporate Banking.

Macroeconomic scenarios

The macroeconomic outlook weakened in the first quarter, as the war in Ukraine exacerbated existing inflationary forces linked to high energy prices and supply chain bottlenecks. Increased uncertainty and declining disposable household income are having a negative impact on consumer confidence. Following the termination in April 2022 of government support to sectors affected by Covid-19, bankruptcy rates are expected to gradually move back to pre-Covid-19 levels. The rise in housing prices is forecast to level off on the back of rising interest rates and risk premiums. As the macroeconomic scenarios were prepared early March and the economic outlook deteriorated during the month, the negative scenario got a 55% weight (up from 30%). These changes resulted in a relative increase in ECL of approximately EUR 72 million.

ECL scenarios on 31 March 2022

(in millions)	Weight	Macroeconomic variable	2022	2023	2024	2025
Positive	10%	Real GDP Netherlands[1]	4.9%	2.9%	2.1%	1.6%
		Unemployment[2]	3.6%	3.3%	2.9%	2.9%
		House price index[3]	15.0%	6.0%	4.0%	3.0%
Baseline	35%	Real GDP Netherlands[1]	3.1%	1.9%	1.8%	1.4%
		Unemployment[2]	3.9%	4.1%	3.7%	3.6%
		House price index[3]	12.5%	5.0%	2.5%	2.0%
Negative	55%	Real GDP Netherlands[1]	1.8%	-0.2%	1.3%	1.2%
		Unemployment[2]	5.0%	6.1%	6.3%	6.2%
		House price index[3]	0.0%	-7.5%	-10.0%	-2.5%

1 Real GDP Netherlands, % change year-on-year.
2 Unemployment Netherlands, % of labour force.
3 House price index Netherlands - average % change year-on-year.

ECL scenarios on 31 December 2021

(in millions)	Weight	Macroeconomic variable	2021	2022	2023	2024
Positive	10%	Real GDP Netherlands[1]	4.6%	4.5%	2.9%	2.5%
		Unemployment[2]	3.2%	2.7%	2.3%	2.3%
		House price index[3]	15.5%	12.5%	5.0%	3.5%
Baseline	60%	Real GDP Netherlands[1]	4.4%	3.8%	2.4%	2.0%
		Unemployment[2]	3.3%	3.1%	2.8%	2.8%
		House price index[3]	15.0%	10.0%	4.0%	3.0%
Negative	30%	Real GDP Netherlands[1]	4.3%	2.7%	0.7%	2.3%
		Unemployment[2]	3.3%	4.0%	4.2%	3.4%
		House price index[3]	12.5%	0.0%	-7.5%	-10.0%

1 Real GDP Netherlands, % change year-on-year.
2 Unemployment Netherlands, % of labour force.
3 House price index Netherlands - average % change year-on-year.

Coverage and stage ratios

(in millions)	31 March 2022 Gross carrying amount[2]	Allowances for credit losses[3]	Coverage ratio	Stage ratio	31 December 2021 Coverage ratio	Stage ratio
Stage 1						
Loans and advances banks	**3,595**	**4**	**0.1%**	**98.6%**	**0.4%**	**99.9%**
Residential mortgages	136,938	11	0.0%	93.1%	0.0%	93.7%
Consumer loans	9,481	25	0.3%	88.6%	0.2%	86.6%
Corporate loans[1]	73,225	180	0.2%	82.1%	0.2%	80.2%
Other loans and advances customers[1]	15,579		0.0%	99.7%	0.0%	99.6%
Total loans and advances customers[1]	**235,224**	**217**	**0.1%**	**89.6%**	**0.1%**	**89.2%**
Stage 2						
Loans and advances banks	**51**		**0.2%**	**1.4%**	**0.5%**	**0.1%**
Residential mortgages	8,939	28	0.3%	6.1%	0.3%	5.5%
Consumer loans	822	42	5.1%	7.7%	4.4%	9.6%
Corporate loans[1]	10,980	301	2.7%	12.3%	2.4%	14.0%
Other loans and advances customers[1]	41	3	8.0%	0.3%	3.2%	0.3%
Total loans and advances customers[1]	**20,781**	**375**	**1.8%**	**7.9%**	**1.7%**	**8.2%**
Stage 3 and POCI						
Loans and advances banks						
Residential mortgages	1,224	59	4.8%	0.8%	4.1%	0.9%
Consumer loans	402	222	55.3%	3.8%	50.8%	3.8%
Corporate loans[1]	4,958	1,572	31.7%	5.6%	32.5%	5.8%
Other loans and advances customers[1]	6	3	52.5%	0.0%	32.0%	0.1%
Total loans and advances customers[1]	**6,589**	**1,856**	**28.2%**	**2.5%**	**28.3%**	**2.6%**
Total of stages 1, 2, 3 and POCI						
Total loans and advances banks	**3,646**	**5**	**0.1%**		**0.4%**	
Residential mortgages	147,101	98	0.1%		0.1%	
Consumer loans	10,704	289	2.7%		2.6%	
Corporate loans[1]	89,163	2,054	2.3%		2.4%	
Other loans and advances customers[1]	15,626	6	0.0%		0.0%	
Total loans and advances customers[1]	**262,594**	**2,448**	**0.9%**		**0.9%**	
Total loans and advances[1]	**266,240**	**2,452**	**0.9%**		**0.9%**	

[1] Excluding loans at fair value through P&L.
[2] Gross carrying amount excludes fair value adjustments from hedge accounting.
[3] The allowances for credit losses excludes allowances for financial investments held at FVOCI (31 March 2022: EUR 2 million; 31 December 2021: EUR 1 million).

In Q1 2022, the stage 2 ratio of loans and advances to customers declined to 7.9% (31 December 2021: 8.2%). An increase in stage 2 residential mortgages as a result of the weakening of the macroeconomic outlook was more than offset by a decline of corporate loans in stage 2. Higher stage 2 allowances driven by updated macroeconomic scenarios caused the stage 2 coverage ratio to increase slightly to 1.8% (31 December 2021: 1.7%). The stage 2 ratio of loans and advances to banks increased to 1.4% (31 December 2021: 0.1%) mainly due to a client transferred to stage 2 as a result of sanctions on trade with Russia.

The stage 3 ratio of loans and advances to customers decreased marginally to 2.5% (31 December 2021: 2.6%) due to a decline in stage 3 exposures in predominantly corporate loans and residential mortgages. The stage 3 coverage ratio came down slightly to 28.2% (31 December 2021: 28.3%) due to a decline in stage 3 allowances in corporate loans, driven by releases and write-offs in the industrial goods & services, oil & gas and food sectors.

Residential mortgages

Housing market developments

The housing market in the Netherlands started to show signs of cooling down, reflected by a less steep rise in property prices and a lower number of transactions compared to the previous period. Accordingly, the number of houses available for sale for every buyer rose to 1.8 houses (Q4 2021: 1.3 houses; Q1 2021: 1.7 houses). Rising interest rates and war in Ukraine are also having a negative impact on consumer confidence and, consequently, on the outlook for the housing market.

According to the Dutch Land Registry (Kadaster), the number of transactions in Q1 2022 was 17% lower than in Q4 2021 and 34% lower than in Q1 2021. The housing price index published by Statistics Netherlands (CBS) for Q1 2022 was 4.2% higher than in Q4 2021 and 20.3% higher than in Q1 2021.

Residential mortgage portfolio insights

New mortgage production amounted to EUR 5.5 billion, 3% more than in Q4 2021 and 8% up from Q1 2021. Redemptions totalled EUR 4.6 billion, a 17% decrease on Q4 2021 and 5% less than in Q1 2021. ABN AMRO's market share in new mortgage production came to 17% in Q1 2022 (Q4 2021: 15%, Q1 2021: 17%).

In response to the recent macroeconomic developments as well as higher energy prices, ABN AMRO started monitoring arrears in loans and instalments more frequently. In Q1, the mortgage arrears ratio was stable. Following the rising interest rates for longer dated mortgages, clients show more interest for mortgages with a shorter fixed interest rate period. An initial shift to shorter fixed interest rate periods was therefore visible in the first quarter. The current rise in interest rates is not immediately impacting the majority of mortgage clients in the Netherlands, as most of the mortgages interest rates are fixed for a longer period.

The average indexed Loan to Market Value (LtMV) decreased to 55% on 31 March 2022, from 56% on 31 December 2021 (excluding NHG mortgages: from 56% to 55%), mainly as a result of higher market values. The gross carrying amount of mortgages with an LtMV in excess of 100% decreased to EUR 1.8 billion (31 December 2021: EUR 2.0 billion, 31 March 2021: EUR 1.2 billion). Loans with an LtMV in excess of 100% accounted for 1.2% of total mortgages (31 December 2021: 1.3%, 31 March 2021: 0.8%) and 2% of the extra repayments (31 December 2021: 2%, 31 March 2021: 2%).

The proportion of amortising mortgages continued to increase, reaching 42% by 31 March 2022 (31 December 2021: 41%, 31 March 2021: 38%).

Other risk developments

Discussion with regulator on regulatory levies

Currently, ABN AMRO is in a discussion with one of its regulators regarding regulatory levies. At this time, the outcome of this discussion or future proceedings related to this discussion cannot be reliably predicted. It is therefore possible that legal opinions, regulatory rulings or future proceedings might give rise to additional expenses.

Capital management

Regulatory capital structure

(in millions)		31 March 2022		31 December 2021
Total equity (EU IFRS)		**22,333**		**21,999**
Dividend reserve		-710		-573
AT1 capital securities (EU IFRS)		-1,987		-1,987
Share buyback reserve		-211		-500
Regulatory and other adjustments		74		267
Common Equity Tier 1		**19,500**		**19,206**
AT1 capital securities (EU IFRS)		1,987		1,987
Regulatory and other adjustments		-5		-5
Tier 1 capital		**21,482**		**21,188**
Subordinated liabilities (EU IFRS)	7,416		7,549	
Regulatory and other adjustments	-2,309		-2,413	
Tier 2 capital		**5,107**		**5,136**
Total regulatory capital		**26,589**		**26,324**
Other MREL eligible liabilities[1]		7,605		6,568
Total MREL eligible liabilities		**34,194**		**32,893**
Total risk-weighted assets		**124,342**		**117,693**
Exposure measure (CRR2)				
Exposure measure		377,423		360,779
Central bank exposure		73,819		66,922
Exposure measure (incl. central bank exposure)		**451,241**		**427,702**
Capital ratios				
Common Equity Tier 1 ratio		15.7%		16.3%
Common Equity Tier 1 ratio (Basel IV)[2]		16%		16%
Tier 1 ratio		17.3%		18.0%
Total capital ratio		21.4%		22.4%
MREL[3]		27.5%		27.9%
Leverage ratio		5.7%		5.9%
Leverage ratio (incl. central bank exposure)		4.8%		5.0%

1 Other MREL eligible liabilities consists of subordinated liabilities and senior non-preferred notes that are not included in regulatory capital.
2 Basel IV results are based on fully-loaded figures, rounded to the nearest whole percent, based on ABN AMRO's interpretation of the Basel IV framework and subject to the implementation of Basel IV standards into EU legislation.
3 MREL is calculated as total regulatory capital plus other MREL eligible subordinated liabilities divided by total risk-weighted assets.

Developments impacting capital ratios

On 31 March 2022, the CET1 ratio under Basel III was 15.7% (31 December 2021: 16.3%). In comparison with Q4 2021, the CET1 ratio decreased mainly due to an increase in RWA, partly offset by an increase in CET1 capital. The increase in RWA reflects a rise in credit risk RWA, mainly as a result of a EUR 5.0 billion add-on for planned model reviews and redevelopments and, to a lesser extent, business developments, partially offset by improvements in asset quality. CET1 capital increased mainly due to the Q1 2022 profit. All capital ratios were in line with the bank's risk appetite and comfortably above regulatory requirements.

The maximum distributable amount (MDA) trigger level remained at 9.6% (excluding AT1 shortfall). In the future, the Dutch central bank (DNB) is expected to gradually increase the countercyclical capital buffer (CCyB) requirement from 0% to 2% of risk-weighted exposures in the Netherlands as the economy improves, which will cause the MDA trigger level to increase. The reported CET1 ratio of 15.7% under Basel III is well above the MDA trigger level. The bank remains committed to maintaining a significant buffer in excess of its regulatory requirements at all times.

Based on our latest views of the Basel IV EU proposal, the fully-loaded Basel IV CET1 ratio was estimated comfortably above target, at around 16% on 31 March 2022. The Basel IV CET1 ratio at implementation is still subject to some uncertainties, including data limitations, management actions and other portfolio developments.

Basel III and Basel IV CET1 ratios are converging. Both ratios are still subject to uncertainties, including planned model reviews and redevelopments and the impact of capital deductions related to the prudential backstop for non-performing exposures.

Share buyback

On 9 February 2022, in line with our capital framework, we announced our inaugural share buyback programme of EUR 500 million. The programme commenced on 10 February and was completed on 11 May. Under the programme, 42,478,085 depositary receipts and ordinary shares of ABN AMRO Bank N.V. were repurchased. Upon completion of the share buyback programme, outstanding number of depositary receipts and ordinary shares of ABN AMRO Bank N.V. is 897,521,916. The NLFI, being a majority shareholder, will participate in the share buyback programme pro-rata to its current holding of 56.3% of shares and depository receipts via off-market transactions, thereby maintaining its relative stake in the company.

Leverage ratio

The Capital Requirements Regulation (CRR) includes a non-risk-based and binding leverage ratio. As of 31 March 2022, the leverage ratio decreased to 5.7% (31 December 2021: 5.9%) mainly due to an increase in on-balance sheet exposures. This ratio includes the temporary capital relief measure that exempts central bank reserves from the exposure measure, which applied until 31 March 2022. The leverage ratio including the central bank reserves was 4.8% as of 31 March 2022 (31 December 2021: 5.0%).

MREL

As from 1 January 2022, our intermediate MREL target is set at 27.1% of Basel III RWA, of which 26.6% must be met by own funds, subordinated instruments and senior non-preferred (SNP) notes. This includes the combined buffer requirement (CBR) of 4%. Based on own funds, subordinated instruments and SNP notes, MREL was 27.5% as of 31 March 2022 (31 December 2021: 27.9%). In comparison with Q4 2021, MREL decreased mainly due to the increase in RWA, partly offset by the issuance of a EUR 1.0 billion SNP instrument in January 2022 and the net profit for Q1 2022.

About **this report**

Introduction
This report presents ABN AMRO's results for the first quarter of 2022. It provides a quarterly business and financial review, as well as risk and capital disclosures.

Presentation of information
Except for the changes described below, the financial information contained in this Quarterly Report has been prepared according to the same accounting policies 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 functional and 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 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.

As announced in November 2021, ABN AMRO has simplified its organisational structure by replacing the four business lines by three units organised around client segments: Personal & Business Banking, Wealth Management and Corporate Banking. Consequently, the prior period figures relating to these segments in the Financial review section of this report have been restated.

In a press release dated 15 February 2022, ABN AMRO announced an agreement regarding the sale of ABN AMRO Levensverzekering N.V., the life insurance subsidiary of ABN AMRO Verzekeringen, to NN Group. The transaction is subject to regulatory approval and is expected to close in the second half of 2022.

In a press release dated 3 May 2022, ABN AMRO announced an agreement reached with Achmea regarding Achmea's takeover of ABN AMRO Pensioeninstelling NV. The board and staff (30 FTEs) will receive an offer to join Achmea. This Premium Pension Institution (PPI) will be called Centraal Beheer PPI and is expected to operate in the market under this name from the autumn of 2022. The takeover is subject to approval by the supervisory authorities. The central works councils of Achmea and ABN AMRO have issued positive advice. The transaction is expected to be closed with a modest book gain before the end of 2022.

To download this report or to obtain more information, please visit us at abnamro.com/ir or contact us at investorrelations@nl.abnamro.com. In addition to this report, ABN AMRO provides an analyst and investor call, an investor presentation and a fact sheet regarding the Q1 2022 results.

Enquiries

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Investor call

A conference call for analysts and investors will be hosted by the bank on Wednesday 18 May 2022 at 11:00 am CET (10:00 am London time). 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, 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

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

Forward-looking statements are not historical facts and represent only ABN AMRO's current views and assumptions regarding future events, many of which are by nature inherently uncertain and beyond our control. Factors that could cause actual results to deviate materially from those anticipated by forward-looking statements include, but are not limited to, macroeconomic, demographic and political conditions and risks, actions taken and policies applied by governments and their agencies, financial regulators and private organisations (including credit rating agencies), market conditions and turbulence in financial and other markets, and the success of ABN AMRO in managing the risks involved in the foregoing.Any forward-looking statements made by ABN AMRO are current views as at the date they are made. Subject to statutory obligations, ABN AMRO does not intend to publicly update or revise forward-looking statements to reflect events or circumstances after the date the statements were made, and ABN AMRO assumes no obligation to do so.

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