FitchRatings

Banks
Universal Commercial Banks
Netherlands

ABN AMRO Bank N.V.

Key Rating Drivers

Strong Credit Profile: ABN AMRO Bank N.V.'s ratings reflect its strong domestic banking franchise, complemented by a solid European private banking foothold. The bank's strong capitalisation, funding and liquidity profile are rating strengths. The ratings also consider ABN AMRO's well-executed strategy, resilient asset quality and sound earnings.

Stable Asset Quality: The bank's asset quality benefits from a high share of mortgage lending (almost 60% of loans), healthy diversification in Dutch SME lending, lowered risk appetite in the corporate segment and reduced exposure to cyclical sectors. Fitch Ratings expects the bank's credit quality to hold up in 2022 with the impaired loans ratio at about 3%. Credit losses should increase next year but from a low base, and will remain significantly below the normalised level, as we expect some of its Covid-19-related management overlay to be released.

Portfolio De-Risking: The bank's strategic focus on domestic and northwest European customers in well-known and moderate risk profile industries is positive for asset quality. At end-2021, ABN AMRO's non-core exposure (mainly to cyclical sectors) should represent less than 1% of all loans. It will be split 50/50 between performing and impaired loans, but the latter represents low residual credit risk due to prudent coverage by loan loss allowances.

Profitability Challenges: ABN AMRO's profitability metrics have structurally deteriorated recently, due to deposit margin compression, muted corporate loan demand and costly business restructuring and an anti-money laundering (AML) remediation programme. Consequently, we expect ABN AMRO's operating profit/risk-weighted assets (RWAs) to remain modestly above 1.5% in the medium term, compared with above 2.5% on average in 2015-2019.

Healthy Income Mix, Inflated Costs: The bank's earnings benefit from significant contribution from low-risk retail banking, healthy diversification in fee income and deleveraging of non-core assets, which should contain future credit losses. The planned remaining cost reduction of EUR600 million by 2024 will be arduous and will gain momentum only from 2023. AML and non-core wind-down expenses will remain high next year – although lower than 2021 levels.

Strong Capitalisation: ABN AMRO's sound risk-weighted capital ratios are commensurate with its risk profile and asset quality. At end-September 2021, the bank's common equity Tier 1 (CET1) ratio was 17.8% (equivalent to about 16% under Basel IV), 8.2pp above the requirement. The bank's leverage ratio is only moderate and its longer-term strategic CET1 ratio target is 13% under Basel IV, but we do not expect a material CET1 ratio reduction in the near term.

Low Refinancing Risk: ABN AMRO's stable and diversified funding is underpinned by a strong domestic deposit franchise, good access to the wholesale market and robust liquidity management. The bank maintains an ample liquidity buffer, which comfortably covers all wholesale funding maturing in the next 12 months.

Rating Sensitivities

Stable Outlook: Fitch's updated economic assumptions for the Netherlands and northwest Europe (ABN AMRO's core markets) indicate strong economic recovery, despite some remaining risks related to the pandemic, supply-chain disruptions and rising energy prices. Consequently, we believe that downward pressure on ABN AMRO's profitability, asset quality and capitalisation has receded. A significant and structural improvement in asset quality and profitability, coupled with a CET1 ratio sustained above 14%, could be rating positive.

Material Financial Profile Erosion: We would downgrade ABN AMRO's ratings should there be a simultaneous and durable deterioration in its impaired loan ratio to above 4%, with operating return on RWAs below 1.5% and CET1 ratio below 14%.

Ratings

Foreign Currency	
Long-Term IDR	A
Short-Term IDR	F1
Derivative Counterparty Rating	A+(dcr)
Viability Rating	a
Government Support Rating	ns
Sovereign Risk	
Long-Term Foreign- and Local-Currency IDRs	AAA
Country Ceiling	AAA
Outlooks	
Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign- and Local-Currency IDR	Stable

Applicable Criteria

Bank Rating Criteria (November 2021)

Related Research

Global Economic Outlook (December 2021)
Fitch Ratings 2022 Outlook: Western European Banks (December 2021)
Fitch Affirms Netherlands at 'AAA'; Outlook Stable (April 2021)
Benelux Banks: Recovery to Pre-Pandemic Profitability Levels Unlikely Before 2022 (April 2021)

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Debt Rating Classes

Rating level	Rating
ABN AMRO Bank N.V.	
Senior preferred debt and deposits	A+/F1
Senior non-preferred: long-term	A
Tier 2 Subordinated debt	BBB+
Additional Tier 1 notes	BBB-
ABN AMRO Funding USA LLC	
Senior unsecured debt	F1

Source: Fitch Ratings

ABN AMRO's long-term senior preferred debt and deposit ratings and Derivative Counterparty Rating (DCR) are one notch above the bank's Long-Term IDR, to reflect the protection provided to senior preferred debt from the bank's more junior resolution debt buffers.

ABN AMRO plans to meet its minimum requirements for own funds and eligible liabilities (MREL), set at 27.1% of risk-weighted assets (RWAs), through issuance of senior non-preferred (SNP) and more junior debt. At end-September 2021, the bank's MREL was 28.5% and comprised own funds, subordinated instruments and SNP bonds. This drives the uplift for senior preferred liabilities and the equalisation of the SNP debt rating with the Long-Term IDR. ABN AMRO's short-term senior preferred debt and deposit ratings are mapped to their respective long-term ratings and also reflect our assessment of the bank's funding and liquidity at 'a+'.

The ratings on the subordinated and additional Tier 1 (AT1) debt issued by ABN AMRO are notched off the bank's Viability Rating (VR). In accordance with Fitch's criteria, subordinated debt is rated two notches below ABN AMRO's VR, reflecting baseline notching for loss severity for this type of debt. AT1 securities are rated four notches below ABN AMRO's VR to reflect poor recoveries for these securities given their deep subordination (two notches from the VR) as well as the high incremental risk of non-performance (an additional two notches). Our assessment is based on the bank operating with a CET1 ratio that is comfortably above maximum distributable amount thresholds, and on our expectation that this will continue.

ABN AMRO Funding LLC is a US-based funding vehicle fully owned by ABN AMRO. The rating of the US commercial paper debt securities issued by the vehicle is aligned with ABN AMRO's Short-Term IDR, based on Fitch's view of an extremely high probability of support from ABN AMRO, if required. This view is underpinned by ABN AMRO's unconditional and irrevocable guarantee on the securities issued by ABN AMRO Funding LLC.

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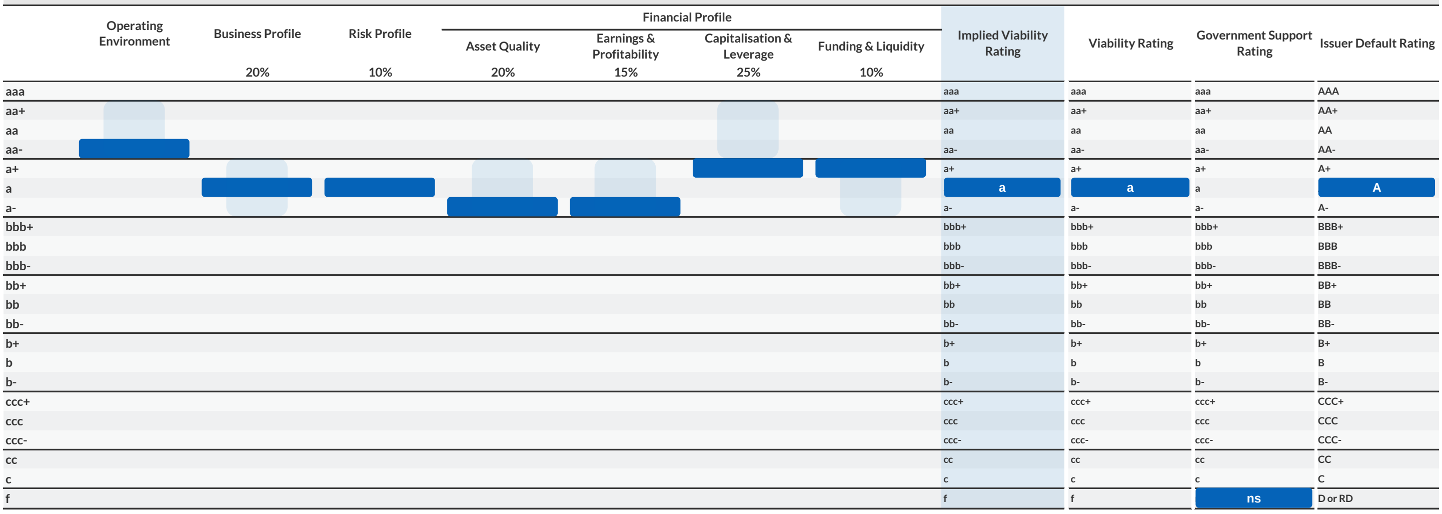
Ratings Navigator

ABN AMRO Bank N.V. ESG Relevance: **Banks Ratings Navigator**



Sovereign Support Assessment

Commercial Banks: Government Support Rating (GSR) KRDs	
Typical D-SIB GSR for sovereign's rating level (assuming high propensity)	A+ to A-
Actual country D-SIB GSR	ns
Government Support Rating	ns
Government ability to support D-SIBs	
Sovereign Rating	AAA/Stable
Size of banking system	Negative
Structure of banking system	Negative
Sovereign financial flexibility (for rating level)	Neutral
Government propensity to support D-SIBs	
Resolution legislation	Negative
Support stance	Negative
Government propensity to support bank	
Systemic importance	Neutral
Liability structure	Neutral
Ownership	Neutral

ABN AMRO's Government Support Rating 'No Support' reflects Fitch's view that senior creditors cannot rely on receiving full extraordinary support from the sovereign in the event that the bank becomes non-viable. The EU's Bank Recovery and Resolution Directive and the Single Resolution Mechanism for eurozone banks provide a framework for resolving banks that requires senior creditors participating in losses, if necessary, instead of, or ahead of, a bank receiving sovereign support.

Legend

Ratings Navigator: The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

Arrows – KRD Outlook
- ⇧ Positive
- ⇩ Negative
- ⇳ Evolving
- ▫ Stable

Support Assessment: The colours indicate the weighting of each KRD in the assessment.
- Higher influence
- Moderate influence
- Lower influence

Brief Company Summary and Key Latest Developments

A Leading Dutch Bank

ABN AMRO is the third-largest Dutch bank by assets with well-entrenched domestic market position. The bank has a broad offer for retail and business customers and is the second-largest domestic mortgage lender. ABN AMRO is the market leader in onshore private banking domestically and has a top three position in Germany and a top five position in France.

In 2020 ABN AMRO exited all non-European corporate banking activities and focused on its profitable domestic franchise and northwest Europe, where it has sufficient scale to generate 10% return on equity (ROE) in the long run. The bank retained its clearing business as it was profitable through the cycle and the business improves the revenue diversification. The bank is one of the top three global clearers that have membership of all relevant exchanges and clearing houses around the world.

ABN AMRO is ultimately 56% owned by the Dutch state. Other shares are widely held. The state is committed to the gradual divestment of its stake although the last stock sale took place in September 2017. The state is not involved in the day-to-day management of the bank.

Solid Business Model

ABN AMRO operates a traditional diversified and consistent universal banking business model, with 90% of income generated domestically and 75% from the net interest income. Retail banking (almost 66% of loans) generates almost 40% revenue, which is mainly a stable stream from low risk mortgage loans.

ABN AMRO aims to focus on segments with the highest growth potential (such as Dutch SMEs, affluent customers and mortgage loans) and products where it can benefit from its competitive edge (such as private banking, the clearing business, and sustainability). The bank also remains open to bolt-on acquisitions. ABN AMRO is aiming for ROE of about 8% in 2024 (corresponding to a CET1 ratio of about 15%), assuming the normalisation of credit losses at 25bp–30bp of loans and a cost base below EUR4.7 billion. The bank's long-term ROE ambition is 10% (subject to about a 75bp increase in the interest rates).

Conservative Risk Appetite

The bank's credit risk is concentrated in its loan portfolio, which is dominated by low risk mortgage loans. Underwriting standards are sound and supported by a robust control system. Lending is predominantly secured with prudent concentration limits in place. The bank invests its surplus liquidity in highly rated debt securities. Market risk appetite is small and well-controlled and trading is mainly customer-driven.

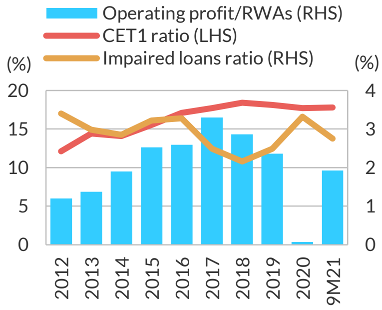
We expect only a small credit expansion, driven by mortgage lending and a gradual recovery in loan demand from companies, after the end of government support measures.

High loan/value (LTV) ratios at origination and a high share of interest-only loans are typical features of Dutch mortgage lending that is driven by tax incentives for borrowers. Dutch mortgage lending is mainly prime, owner-occupied, with a very limited buy-to-let segment due to a small and rigid rental market. The risk profile of mortgage loans has strengthened recently due to a lower regulatory LTV cap of 100% since 2018, the limitation of tax deductibility only to amortising mortgages since 2013 and continued increase in house prices. At end-September 2021, 40% of all mortgage loans were amortising compared with only 3% at end-2012. The vast majority of full interest-only loans have a LTV ratio below 50%.

ABN has recently decreased its appetite for global and cyclical sectors and the bank remains committed only to well-known (and thus less risky) domestic customers or to companies based in northwest Europe. Corporate and SME exposures are well diversified by industries.

Clearing exposure is volatile, but credit risk is mitigated by strict collateral requirements. The bank tightened controls and risk appetite in clearing following a sizeable loss of about EUR200 million, driven by market dislocation in March 2020.

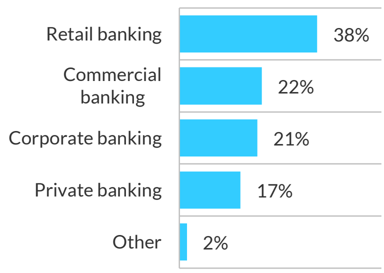
Results Through-The-Cycle



Source: Fitch Ratings, ABN AMRO

Income Breakdown

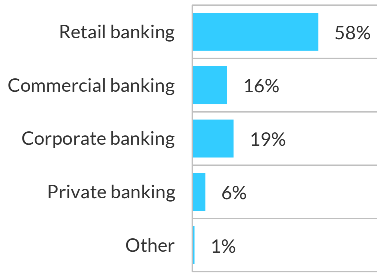
2019–9M21 average



Source: Fitch Ratings, ABN AMRO

Loan Book Breakdown

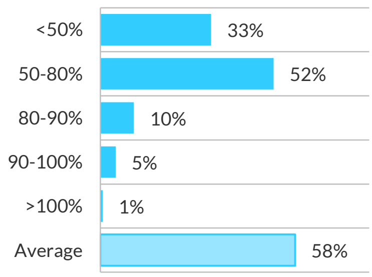
End-September 2021



Source: Fitch Ratings, ABN AMRO

Mortgage Loans by LTVs

End-September 2021



Source: Fitch Ratings, ABN AMRO

Summary Financials and Key Ratios

	30 Sep 21		31 Dec 20	31 Dec 19	31 Dec 18
	9 months - 3rd quarter	9 months - 3rd quarter	Year end	Year end	Year end
	(USDm)	(EURm)	(EURm)	(EURm)	(EURm)
	Unaudited	Unaudited	Audited - unqualified	Audited - unqualified	Audited - unqualified
Summary income statement					
Net interest and dividend income	4,482	3,871	5,863	6,468	6,593
Net fees and commissions	1,410	1,218	1,558	1,632	1,699
Other operating income	259	224	219	402	733
Total operating income	6,152	5,313	7,640	8,502	9,025
Operating costs	4,508	3,893	5,256	5,257	5,351
Pre-impairment operating profit	1,644	1,420	2,384	3,245	3,674
Loan and other impairment charges	-195	-168	2,303	657	655
Operating profit	1,839	1,588	81	2,588	3,019
Other non-operating items (net)	-556	-480	275	92	67
Tax	493	426	401	634	761
Net income	790	682	-45	2,046	2,325
Other comprehensive income	n.a.	n.a.	-314	-513	-471
Fitch comprehensive income	790	682	-359	1,533	1,854
Summary balance sheet					
Assets					
Gross loans	296,815	256,338	255,625	270,528	273,146
- Of which impaired	8,170	7,056	8,474	6,740	5,887
Loan loss allowances	2,969	2,564	3,467	2,426	2,260
Net loans	293,846	253,774	252,158	268,102	270,886
Interbank	4,679	4,041	3,174	4,718	7,840
Derivatives	5,222	4,510	6,381	5,730	6,191
Other securities and earning assets	81,038	69,987	66,088	61,958	55,576
Total earning assets	384,785	332,312	327,801	340,508	340,493
Cash and due from banks	84,815	73,249	60,410	27,354	34,655
Other assets	13,275	11,465	7,412	7,192	6,147
Total assets	482,876	417,026	395,623	375,054	381,295
Liabilities					
Customer deposits	288,304	248,988	238,570	234,991	236,123
Interbank and other short-term funding	71,751	61,966	57,365	35,685	36,645
Other long-term funding	82,320	71,094	65,735	70,650	74,788
Trading liabilities and derivatives	7,274	6,282	7,954	7,180	7,412
Total funding and derivatives	449,649	388,330	369,624	348,506	354,968
Other liabilities	7,838	6,769	5,010	5,077	4,967
Preference shares and hybrid capital	2,301	1,987	1,987	1,987	2,008
Total equity	23,089	19,940	19,002	19,484	19,352
Total liabilities and equity	482,876	417,026	395,623	375,054	381,295
Exchange rate		USD1 = EUR0.86363	USD1 = EUR0.821963	USD1 = EUR0.89015	USD1 = EUR0.873057

Source: Fitch Ratings, Fitch Ratings, ABN AMRO Bank N.V.

Summary Financials and Key Ratios

	30 Sep 21	31 Dec 20	31 Dec 19	31 Dec 18
Ratios (annualised as appropriate)				
Profitability				
Operating profit/risk-weighted assets	1.9	0.1	2.4	2.9
Net interest income/average earning assets	1.6	1.7	1.9	1.9
Non-interest expense/gross revenue	73.4	69.1	62.1	59.6
Net income/average equity	4.7	-0.2	10.6	12.0
Asset quality				
Impaired loans ratio	2.8	3.3	2.5	2.2
Growth in gross loans	0.3	-5.5	-1.0	-1.5
Loan loss allowances/impaired loans	36.3	40.9	36.0	38.4
Loan impairment charges/average gross loans	-0.1	0.8	0.2	0.2
Capitalisation				
Common equity Tier 1 ratio	17.8	17.7	18.1	18.4
Tangible common equity/tangible assets	4.8	4.3	4.8	5.0
Basel leverage ratio	5.8	5.0	5.2	4.2
Net impaired loans/common equity Tier 1	22.8	25.6	21.7	18.8
Funding and liquidity				
Gross loans/customer deposits	103.0	107.2	115.1	115.7
Liquidity coverage ratio	n.a.	149.0	134.0	n.a.
Customer deposits/total non-equity funding	64.6	65.5	68.3	67.5

Source: Fitch Ratings, Fitch Ratings, ABN AMRO Bank N.V.

Key Financial Metrics – Latest Developments

Stable Asset Quality

ABN AMRO's asset-quality stability is underpinned by low-risk residential mortgage loans (57% of loans at end-September 2021), where the impaired loans ratio was 0.7% and 2019–9M21 cumulative credit losses were close to zero. This portfolio will remain healthy due to prudent underwriting, a good economic situation and a limited near-term risk of property price correction. The Dutch National Mortgage Guarantee scheme covers about 25% of loans.

Non-retail loans are well-collateralised and diversified between SMEs and larger companies and by industries. The exposure to sectors vulnerable to pandemic (such as non-food retail, food and beverage, travel and leisure) was low at about 7% of total loans at end-September 2021. It was mainly concentrated in the SME segment, and the affected companies were classified as Stage 2 or Stage 3 and additionally covered by Covid-19-related management overlays. At end-September 2021, only 0.5% of all loans remained subject to pandemic forbearance measures.

In 9M21 the bank released loan-loss allowances and we expect the annual loan impairment charges (LICs) to be close to zero. LICs will remain low in 2022 due to limited defaults, non-core asset deleveraging – which will be mostly finalised already this year – and a possible release of some of the Covid-19-related management overlay (EUR355 million at end-September 2021).

Profitability Pressure from Reliance on Net Interest Income, Inflated Costs

The bank's material reliance on the net interest income in the low rate environment, its inflated cost base and its limited geographical income diversification are the key challenges to profitability. The bank (similarly to large Dutch peers) has been charging negative rates on retail savings from April 2020, but it provides a small deposit margin relief. The threshold for negative rates has been lowered several times, so far without a detrimental impact on deposit stability.

ABN AMRO's weak cost/income ratio reached a high 73% in 9M21 and we expect it to remain at a similar level for the foreseeable future. The bank's AML fine (EUR480 million) does not affect the ratio because we classify it as a non-operating expense. ABN AMRO plans to reduce its cost base to below EUR4.7 billion in 2024 (from about EUR5.3 billion expected in 2021) through digitalisation, process optimisation and lower headcount, although the reduction will be back-loaded.

Robust Capitalisation

At end-September 2021 the bank's fully loaded Basel IV CET1 ratio was about 16%. The bank expects the gap between Basel III and Basel IV RWAs to narrow to below 5% from 2022 due to further implementation of ECB's targeted review of internal models and the risk weight floors for mortgage loans from January 2022 (about 60bp CET1 ratio impact). The Basel III leverage ratio of 5.8% at end-September 2021 should be viewed in light of a temporary 100bp relief measure, binding until end-March 2022, which excludes central bank reserves from the exposure calculation.

ABN AMRO has a prudent longer-term Basel IV CET1 ratio target of 13%. The bank is in dialogue with the ECB regarding potential share buybacks after the publication of full 2021 results. However, we do not expect the CET 1 ratio to materially decrease in the short term.

Diversified Funding, Low Liquidity Risk

Customer deposits are ABN AMRO's main funding source (about 65% share) and the bank has a strong franchise in the Netherlands (servicing about 20% of the Dutch population). The bank's gross loans/deposit ratio improved in 2020 and 2021 and reached about 100% at end-September 2021. This reflects the winding down of non-core loans, muted loan growth and material inflow of deposits as customer spending and investments subsided due to the pandemic.

The bank has access to debt markets via a diverse set of secured and unsecured instruments. The refinancing profile is well spread by maturities and currencies. About half of long-term debt comprises covered bonds. ABN AMRO participated in TLTROIII (about EUR35 billion), which mostly matures in 2023. At end-June 2021, ABN AMRO's large buffer of liquid assets (almost EUR109 billion, about a quarter of assets) covered all wholesale funding maturing for the next 12 months five times over.

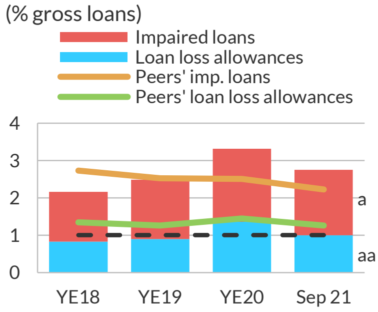
Black dashed lines in the charts represent indicative quantitative ranges and corresponding implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'aa' category.

Peer average includes KBC Group NV (VR: a), Nordea Bank Abp (aa-), Cooperatieve Rabobank U.A (a+), Lloyds Banking Group plc (a), Credit Agricole (a+), Danske Bank A/S (a), BNP Paribas Fortis SA/NV (a), ING Groep N.V. (a+), Groupe BPCE (a+).

Cooperatieve Rabobank U.A. (interim 6 months) and BNP Paribas Fortis SA/NV (interim six months) were included in the latest average calculation.

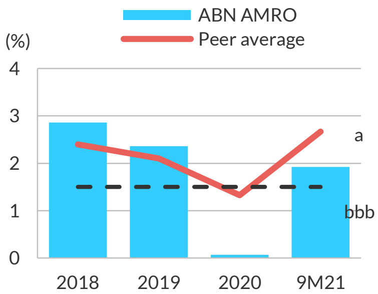
Asset Quality

(% gross loans)



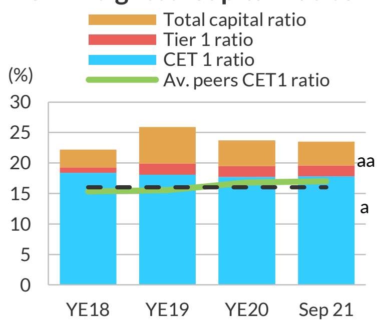
Source: Fitch Ratings, banks

Operating Profit/RWAs



Source: Fitch Ratings, banks

Risk-Weighted Capital Ratios



Source: Fitch Ratings, banks

Environmental, Social and Governance Considerations

FitchRatings **ABN AMRO Bank N.V.**

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

ABN AMRO Bank N.V. has 5 ESG potential rating drivers

- ABN AMRO Bank N.V. has exposure to compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security) but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			Overall ESG Scale
key driver	0	issues	5
driver	0	issues	4
potential driver	5	issues	3
not a rating driver	4	issues	2
	5	issues	1

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale
GHG Emissions & Air Quality	1	n.a.	n.a.	5
Energy Management	1	n.a.	n.a.	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile (incl. Management & governance); Risk Profile; Asset Quality	1

How to Read This Page
ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI) and the Sustainability Accounting Standards Board (SASB).

Sector references in the scale definitions below refer to Sector as displayed in the Sector Details box on page 1 of the navigator.

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile (incl. Management & governance); Risk Profile	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile (incl. Management & governance); Risk Profile	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile (incl. Management & governance)	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile (incl. Management & governance); Financial Profile	1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Management Strategy	3	Operational implementation of strategy	Business Profile (incl. Management & governance)	5
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Business Profile (incl. Management & governance); Earnings & Profitability; Capitalisation & Leverage	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile (incl. Management & governance)	3
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile (incl. Management & governance)	2
				1

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit neutral or have only a minimal credit impact on the bank, either due to their nature or the way in which they are being managed by ABN AMRO. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

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