ABN·AMRO


Investor Relations

# Q1 2017 results

**investor presentation**

17 May 2017

# Good first quarter 2017 results

## Highlights Q1 2017 (vs. Q1 2016)

### Financial results

- Underlying net profit at EUR 615m (+30%), resulting in EPS 0.64
- Operating income improved by 14% with largest driver being an increase in other income of EUR 225m
- NII proved again resilient and increased by 3%, despite the low interest rate environment
- Expenses increased by 3% and included EUR 30m higher regulatory levies at EUR 127m
- Low impairment charges at EUR 63m, resulting in a cost of risk of 9bps

### Progress on financial targets

| | |
|---|---|
| Return on equity | 13.2% |
| Cost/income | 60.2% |
| Fully loaded CET1 | 16.9% |
| Dividend pay-out ratio (FY2017) | 50% |

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# at a glance

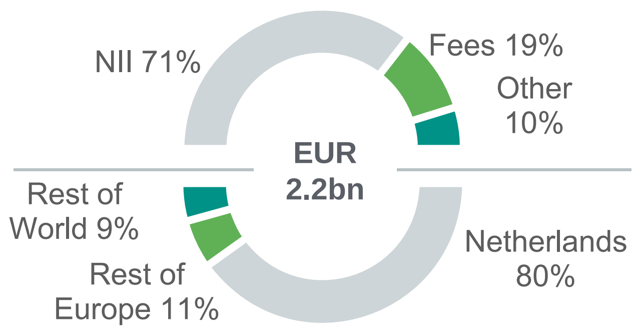
# Strong and balanced financial profile

## Key financials and metrics

| | Q1 2017 | FY2016 | FY2015 |
|---|---|---|---|
| Underlying net profit (EUR m) | 615 | 2,076 | 1,924 |
| Return on equity | 13.2% | 11.8% | 12.0% |
| NIM (bps) 1) | 156 | 152 | 146 |
| Cost/Income ratio | 60.2% | 65.9% | 61.8% |
| Cost of Risk (bps) 1) | 9 | 4 | 19 |
| Total assets (EUR bn) | 418 | 394 | 407 |
| FTE (#) | 21,381 | 21,664 | 22,048 |
| CET1 (fully loaded) | 16.9% | 17.0% | 15.5% |
| Tangible equity per share | 19.32 | 18.82 | 17.35 |
| Underlying EPS (EUR) | 0.64 | 2.16 | 2.03 |
| Dividend pay-out ratio (FY) | 50% | 45% | 40% |
| Dividend per share (EUR) | n/a | 0.84 | 0.81 |

## Large share of Dutch and recurring income

Split of operating income (Q1 2017)




## Divestment status

- Free float c.30%
- IPO EUR 17.75 p.s., Nov 2015
- 2nd placing EUR 20.40 p.s., Nov 2016

1) Historical periods before 2016 have not been adjusted for the implemented offsetting policy on IFRIC

# Attractive combination of strong and complementary businesses

## Retail Banking

| | |
|---|---|
| ±5m retail clients | ±300k small enterprises |
| Low capital intensity | Funding gap |

- Top 3 player in NL
- Prime bank for c.20% of Dutch population
- Nr. 1 in new mortgage production
- Nr. 2 in Dutch savings[1)]
- Leading digital offering, 24/7 Advice and Service Centres and 216 branches

## Private Banking

| | |
|---|---|
| ±100k clients | 7[2)] Present in countries |
| Low capital intensity | Funding surplus |

- Market leader in the Netherlands
- 3rd in Germany, 4th in France
- Multi-channel client servicing
- Focus on digitalisation

## Commercial Banking

| | |
|---|---|
| ±65k clients | 5 Present in countries |
| Higher capital intensity | Funding balanced |

- Sector-based offering to clients with a turnover EUR 1m-250m
- Leading player in the Netherlands
- Leading player in leasing and factoring in NW-Europe

## Corp. & Inst. Banking

| | |
|---|---|
| ±3k clients | 16 Present in countries |
| Higher capital intensity | Funding gap |

- Sector-based offering to large corporates including ECT, FIs and Clearing
- Leading player in the Netherlands
- Capability-led growth for selected businesses and sectors in NW-Europe and globally
- International presence in key financial and logistical hubs

1) Including Private Banking in the Netherlands
2) Excluding Private Banking Asia & Middle East which was sold in April 2017

# A client-focused strategy

| | |
|---|---|
| Purpose | Creating space for dreams and ambitions<br>Driven by passion, guided by expertise |
| Building on long-term strategic foundation | Client driven · Invest in the future · Moderate risk profile · Sustainable growth |

**Medium-term strategic priorities**

| Bring Expertise | Enhance Client Experience | Innovate & Grow | Deliver Fast |
|---|---|---|---|
| ▪ Share insights<br>▪ Personalised solutions<br>▪ Open up our network | Invest in convenient & inspiring apps and services<br>▪ Reimagined customer journeys<br>▪ Top-notch customer interface & frictionless security<br>▪ Quick & transparent processes | Innovate in our core and innovate with new business models and growth initiatives | ▪ Become agile and accelerate change<br>▪ Focused control and support<br>▪ Simplify the business model |

**Profile**

A relationship-driven, knowledgeable and digitally savvy bank in Northwest Europe with expertise in selected sectors globally

# Innovate in our core and innovate with new business models


**Drive innovation by**

- Combining our services, data and knowledge with those of partners
- Adopting new ways to organise ourselves

**Apply new technology**

- Open/API banking
- Advanced customer analytics and artificial intelligence
- Robo advice
- Blockchain

**Build partnerships**

- Collaborate with FinTechs
- Partner with vendors
- Blockchain investments (R3, DAH, TU Delft, TKI-Dinalog)

**Set up innovators**

- Operate online for self-directed clients
- Small, agile organisations
- Large degree of autonomy, running their own IT

# Strategic business initiatives towards 2020

## Retail Banking

### Ambition

Client-driven Dutch retail bank with a digital footprint in Northwest-Europe

### Growth initiatives

- Expand digital MoneYou platform
- Further explore cooperation with FinTechs

## Private Banking

### Ambition

Client driven, modern and knowledgeable NW-European private bank

### Growth initiatives

- Grow in NW-Europe
- Focus on HNWI open to innovation
- Harmonise platforms
- Lower the private banking threshold in the Netherlands

## Commercial Banking

### Ambition

Best commercial bank in the Netherlands

### Growth initiatives

- Sector-based growth strategy in the Netherlands

## C&IB

### Ambition

Best corporate & institutional bank (C&IB) in NL and selected sectors abroad

### Growth initiatives

- Sector-based growth strategy in the Netherlands
- Expand activities to mid-large corporates in NW-Europe
- Globally expand adjacent ECT sectors: food production, renewables, utilities, basic materials

# Ambition to be a better bank contributing to a better world

## Focus on sustainability

- Strategy & Sustainability as a direct responsibility of CEO
- Sustainability ambition gives direction to client strategy and employees
  - Sustainability Risk policy
  - Constructive and open dialogue with stakeholders
  - Engagement with clients on e.g. climate, environmental and human rights impact
- Dedicated business experts and central policy & advice team. Board involvement on specific files
- Integrated Annual Report
- Recent developments
  - 40% diversity of senior management as a result of recent management changes
  - Carbon Risk Framework
  - Publication of the first ABN AMRO Human Rights report and annual conference on Human Rights
  - Circular Pavilion at ABN AMRO Head Quarters

## Non Financial targets

### Clients

| Trust Monitor Score (scale 1-5) | | Net Promoter Score Retail | Net Promoter Score Private | Net Promoter Score Corporate |
|---|---|---|---|---|
| 2016 | 2015 | 2016: **-15** | 2016: **-1** | 2016: **6** |
| **3.1** | 3.1 | 2015: -23 | 2015: -4 | 2015: -2 |

### Employees

| Employee engagement[1)] | | Gender diversity at the top | |
|---|---|---|---|
| 2016 | 2015 | 2016 | 2015 |
| **82%** | 76% | **25%** | 23% |

### Society at large

| DJ Sustainability Index | | Sustainable clients assets (EUR bn) | |
|---|---|---|---|
| 2016 | 2015 | 2016 | 2015 |
| **87** | 78 | **8.2** | 6.4 |

1) 2016 score based on revised measurement method.

# Sustainability Risk approach integrated in our way of doing business

## Sustainability Risk Policy as a framework

- Inclusive approach – direct client engagement on improvement
- Aim to positively influence sustainability performance
- No commitment to new clients and / or new activities that do not want to meet Environmental, Social and Ethical ('ESE') standards
- Exclusion list, including e.g. human rights violations, controversial weapons, Arctic drilling, tar sand exploration etc.

## Sustainability Policies & Guidelines

- Cross-sector: Human Rights and Climate Change
- Sector specific e.g. for Energy, CRE, Industry
- Operational policies
  - Lending – 3 lines of defence system
  - Investment Products
  - Procurement
  - Product development
- Equator principles for Project Finance

## Lending Risk Policy

- Risk screening on embargos, ESE impact, country etc.
- Risk assessment
  - High risk also assessed by central team
- Continuous monitoring and Reporting
- Annual review of clients and individual financings to ensure ongoing compliance

## Investment Products Policy

- Screening on 'Controversial Weapons' and 'Soft Exclusion' lists
- Classification with Sustainability Indicator
- Quarterly monitoring
  - Sustainability performance
  - Composition of exclusion lists and Sustainability Indicator
- Engagement with clients breaching UN Global Compact Principles

# Focus on sustainability in all businesses

| Themes | Retail Banking | Private Banking | CB and C&IB |
|---|---|---|---|
| **Key tools** | ▪ Mortgages<br>▪ Carefree and responsible living concept | ▪ Increasing focus on environment and social investments by clients<br>▪ Impact investing offering | ▪ Integrating ESG/ESE criteria into client assets and lending |
| **Human rights** | ▪ Continuous monitoring to signal and prevent human trafficking<br>▪ Monitoring of mortgage clients to prevention financial issues | ▪ Co-investment partnership with Dutch Development Bank FMO | ▪ Workshop client engagement on Human Rights<br>▪ Awareness human trafficking through focused training |
| **Social entrepreneur-ship** | ▪ Fee reduction for starting entrepreneurs<br>▪ Coaching pool<br>▪ Quarterly award for young starters with a Social stimulation premium | ▪ Social Impact Fund Investments in social enterprises<br>▪ Informal Investment Services as an established platform | ▪ 5 Social Impact bonds |
| **Circular economy** | | | ▪ Initiator of Responsible Ship Recycling Standards<br>▪ Circular economy guide |
| **Climate** | ▪ Discount on mortgages for energy efficient houses<br>▪ Green loans for housing improvements<br>▪ Energy Savings Tool | ▪ Measurement of carbon intensity for 'standard' investment portfolios<br>▪ In 2016 EUR 8.2bn of Sustainable Client Assets | ▪ First European Green Bond issuer<br>▪ Sustainable Finance Desk<br>▪ EIB and ABN AMRO agreed to finance EUR 150m in green shipping<br>▪ Lease: sustainable asset portal for e.g. solar panels |

**Highlight: sustainability in the Commercial Real Estate business**

- Sustainable investment tool to create awareness
- EUR 1bn allocated funding for sustainable CRE portfolio
- Value based pricing on sustainability
- Sector wide involvement, e.g. appraisers
- Specific goals for 2018
  - 300,000 $m^2$ of transformed Real Estate
  - 30% of loan portfolio energy efficient
  - 30 Landmarks financings

# New management structure to support the strategy

## New governance and leadership structure [1]

- Statutory Executive Board represented by CEO, CFO and CRO
- Executive Committee consists of
  - Executive Board
  - 4 business lines to reflect more importance to clients and businesses
  - 2 enabling functions with a bank-wide approach to focus on innovation and transition to a new culture
- New leadership structure reflects
  - importance of clients and businesses
  - more focus on commercial activities at senior executive level
  - goal to become a more agile and efficient organisation

## Overview of the new management structure

**Executive Board** ABN AMRO Group & ABN AMRO Bank

| Chief Executive Officer | Chief Financial Officer | Chief Risk Officer |
|---|---|---|

| Business lines | | Enablers |
|---|---|---|
| CEO Retail Banking | CEO Private Banking | Chief Innovation & Technology |
| CEO Commercial Banking | CEO Corporate & Institutional Banking | Chief Transformation & HR |

**Executive Committee** ABN AMRO Bank consists of the Executive Board, 4 business lines and 2 enablers

1) Announced 6 Feb 2017, implementation becomes formally operational once regulatory approvals for appointments - to the extent required – have been received

# Dutch economic indicators

## Strong fundamentals

Numbers as % GDP (2016)

- International orientation, highly competitive: global rank no. 4 by the World Economic Forum
- Sound financials: gov. debt 63%, budget deficit 0.4%
- Large, persistent external surplus: current account +8%
- Major recent reforms (retirement age, housing market); pension fund assets >180%

## Economic metrics

| Economic metrics | | 2015 | 2016 | 2017e | 2018e |
|---|---|---|---|---|---|
| Netherlands | GDP (% yoy) | 2.0% | 2.1% | 2.4% | 1.7% |
| | Inflation (indexed % yoy) | 0.2% | 0.1% | 1.6% | 1.5% |
| | Unemployment rate (%) | 6.9% | 6.0% | 5.1% | 4.9% |
| | Government debt (% GDP) | 65% | 62% | 59% | 56% |
| Eurozone | GDP (% yoy) | 1.9% | 1.7% | 1.8% | 1.6% |
| | Inflation (indexed % yoy) | 0.0% | 0.2% | 1.6% | 1.5% |
| | Unemployment rate (%) | 10.9% | 10.0% | 9.3% | 8.7% |
| | Government debt (% GDP) | 93% | 92% | 91% | 90% |

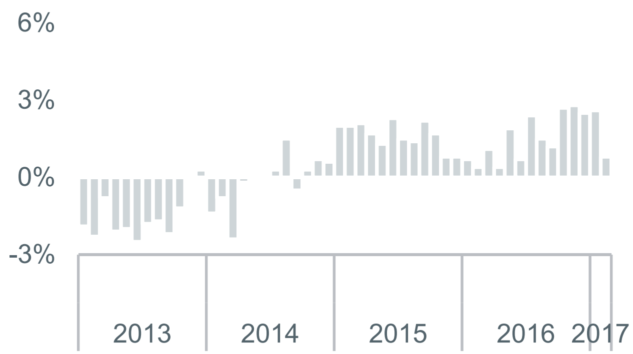
Source: ABN AMRO Group Economics

## GDP

Q-o-Q, source Thomson Reuters Datastream, CBS

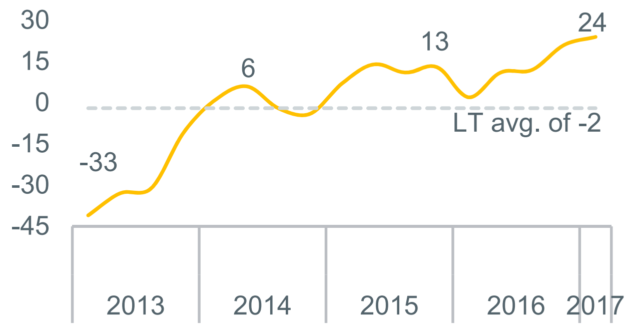

## Dutch consumer spending

% change compared with same month a year ago, CBS




## Dutch consumer confidence

Seasonally adjusted confidence (end of period; long term average is approx. -2), CBS



# financials

# Good Q1 2017 result

| EUR m | Q1 2017 | Q1 2016 | Delta | FY2016 | FY2015 | Delta |
|---|---|---|---|---|---|---|
| Net interest income | 1,596 | 1,545 | 3% | 6,277 | 6,076 | 3% |
| Net fee and commission income | 435 | 435 | -0% | 1,743 | 1,829 | -5% |
| Other operating income | 215 | -10 | | 568 | 550 | 3% |
| **Operating income** | **2,246** | **1,971** | **14%** | **8,588** | **8,455** | **2%** |
| Operating expenses [1)] | 1,353 | 1,319 | 3% | 5,657 | 5,228 | 8% |
| **Operating result** | **893** | **651** | **37%** | **2,931** | **3,227** | **-9%** |
| Impairment charges | 63 | 2 | | 114 | 505 | -77% |
| Income tax expenses | 215 | 175 | 23% | 740 | 798 | -7% |
| **Underlying profit** | **615** | **475** | **30%** | **2,076** | **1,924** | **8%** |
| Special items [2)] | - | - | | -271 | | |
| **Reported profit** | **615** | **475** | **30%** | **1,806** | **1,924** | **-6%** |
| | | | | | | |
| Underlying profit | | | | | | |
| − Retail Banking | 326 | 276 | 18% | 1,247 | 1,226 | 2% |
| − Private Banking | 53 | 43 | 23% | 199 | 214 | -7% |
| − Commercial Banking | 132 | 173 | -23% | 694 | 329 | 111% |
| − Corporate & Inst. Banking | 88 | 0 | | 182 | 268 | -32% |
| − Group Functions | 16 | -18 | | -245 | -112 | |
| | | | | | | |
| Net interest margin (bps) | 156 | 151 | | 152 | 146 | |
| Underlying cost of risk (bps) | 9 | 0 | | 4 | 19 | |
| | | | | | | |
| Underlying earnings per share (EUR) [3)] | 0.64 | 0.49 | | 2.16 | 2.03 | |
| Reported earnings per share (EUR) [3)] | 0.64 | 0.49 | | 1.87 | 2.03 | |
| Dividend per share | n/a | n/a | | 0.84 | 0.81 | |

1) Q1 2017 includes a EUR 12m severance provision and EUR 127m regulatory levies. FY2017 regulatory levies are expected to be EUR 295m. FY2016 included EUR 253m regulatory levies (Q1 EUR 98m including a EUR 30m release, Q2 EUR 12m, Q3 EUR 24m, Q4 EUR 120m) and EUR 348m (Q3 EUR 144m, Q4 EUR 204m) restructuring provisions
2) An addition to the provision for SME derivatives of EUR 271m net of tax (EUR 361m gross) recorded in Q2 2016
3) Earnings consist of underlying/reported net profit excluding reserved payments for AT 1 Capital securities and results attributable to non-controlling interests

# Financial targets

## Return on equity

10 – 13%

13.2% over Q1 2017

| | | |
|---|---|---|
| 2014: 10.9% | 2015: 12.0% | 2016: 11.8% |

## Cost/Income ratio

56 – 58% by 2020

60.2% over Q1 2017

| | | |
|---|---|---|
| 2014: 60.2% | 2015: 61.8% | 2016: 65.9% [1)] |

## CET1 ratio

11.5 – 13.5% fully loaded [2)]

16.9% at 31 Mar 2017

| | | |
|---|---|---|
| YE2014: 14.1% | YE2015: 15.5% | YE2016: 17.0% |

## Dividend pay-out (dividend per share)

50% as from and over 2017 [3)]

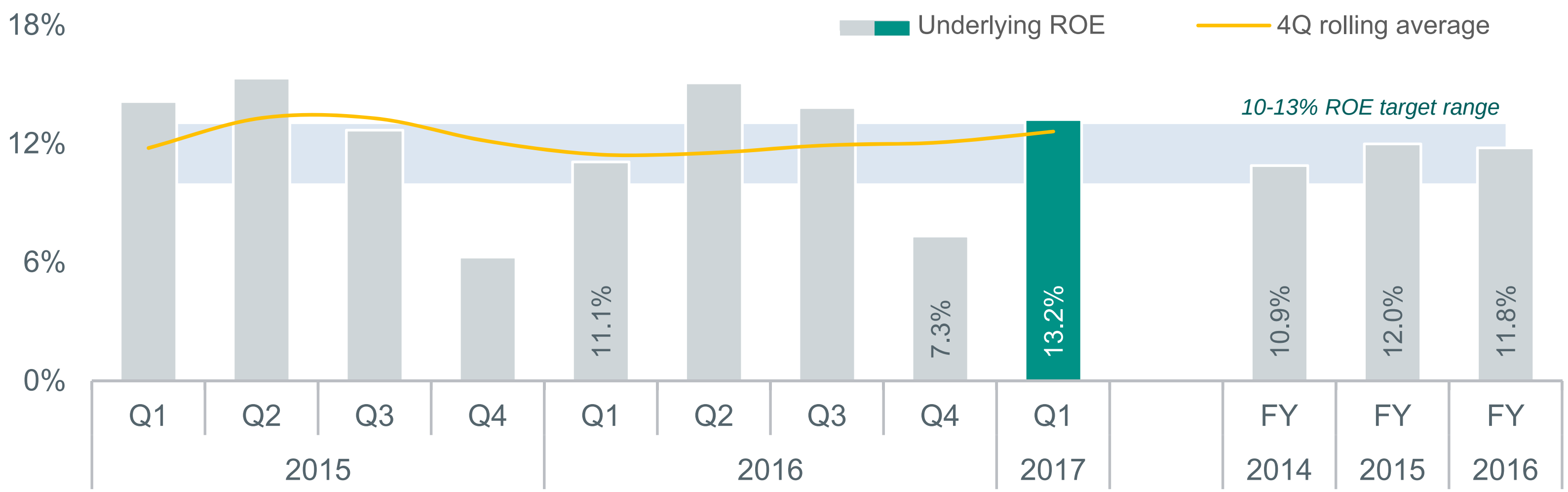
50% over 2017

| | | |
|---|---|---|
| 2014: 35% (0.43) | 2015: 40% (0.81) | 2016: 45% (0.84) |

1) Excluding EUR 348m restructuring provision the FY2016 C/I ratio was 61.8%
2) A future CET1 of 13.5% is anticipated (following an expected SREP of 11.75% in 2019) and includes a P2G buffer and a management buffer
3) Management discretion and subject to regulatory requirements. The envisaged dividend-pay-out is based on reported net profit attributable to shareholders

# Return on equity resilient despite low interest rate environment

## ROE at the upper end of target range

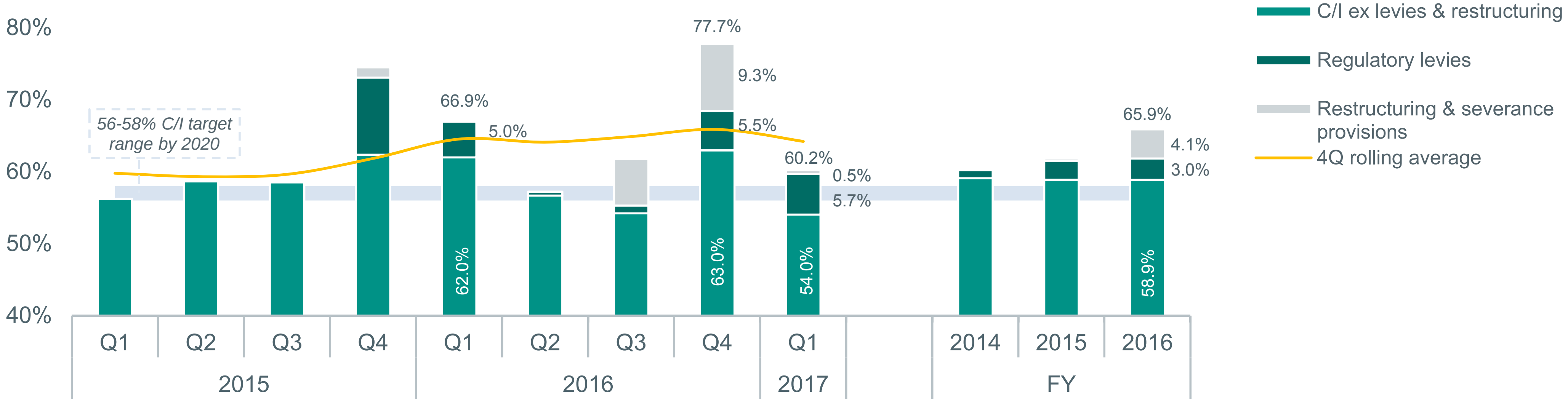



- ROE remains resilient, despite low interest rate environment and accrual of equity
- Strong ROE in Q1, just above the upper end of the target range, despite (seasonally) high regulatory levies 1)

1) Regulatory levies were EUR 127m in Q1 2017, EUR 98m in Q1 2016 and EUR 120m in Q4 2016. Restructuring/severance provisions were: Q1 2017 EUR 12m, FY2016 EUR 348m and Q4 2016 EUR 204m

# Cost/income ratio improved despite regulatory levies

## C/I ratio in Q1 impacted by seasonally high regulatory levies

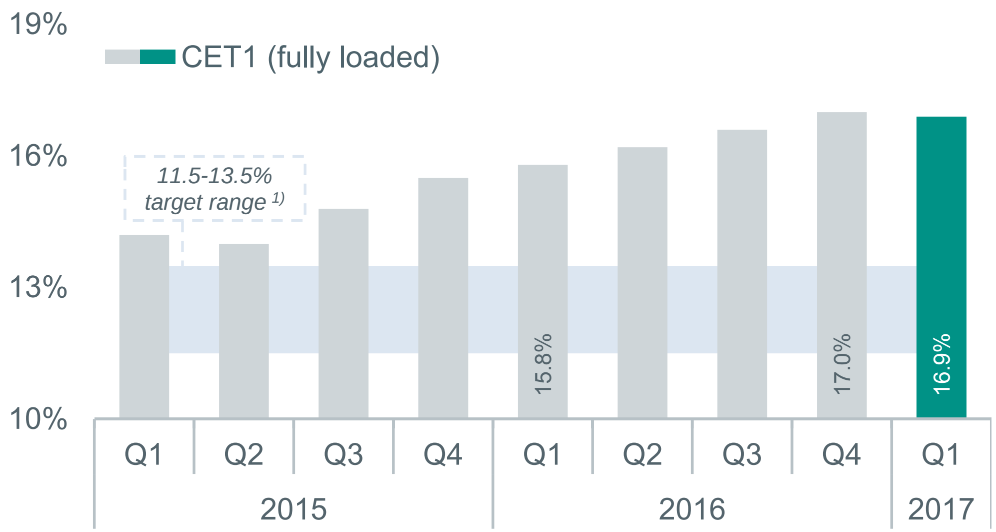



- Cost/Income volatility mainly driven by seasonality of regulatory levies
- Q1 2017 Cost/Income ratio improved to 60.2%, of which 5.7 p.p. related to regulatory levies [1)]

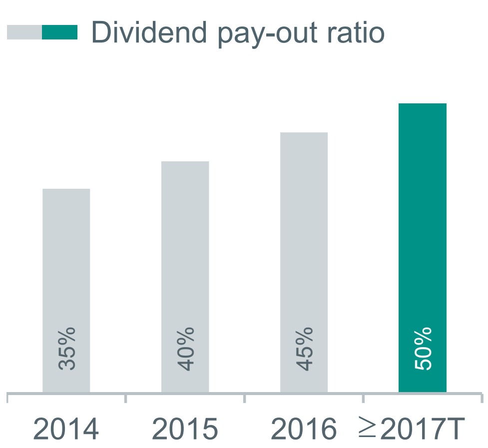
1) Regulatory levies were EUR 127m in Q1 2017, EUR 98m in Q1 2016 and EUR 120m in Q4 2016. Restructuring & severance provisions were: Q1 2017 EUR 12m, FY2016 EUR 348m and Q4 2016 EUR 204m

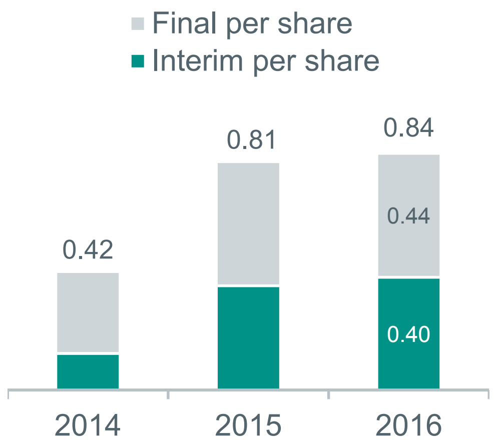
# CET1 fully loaded capital and dividend

## CET1 remained strong




## Steadily increasing dividend



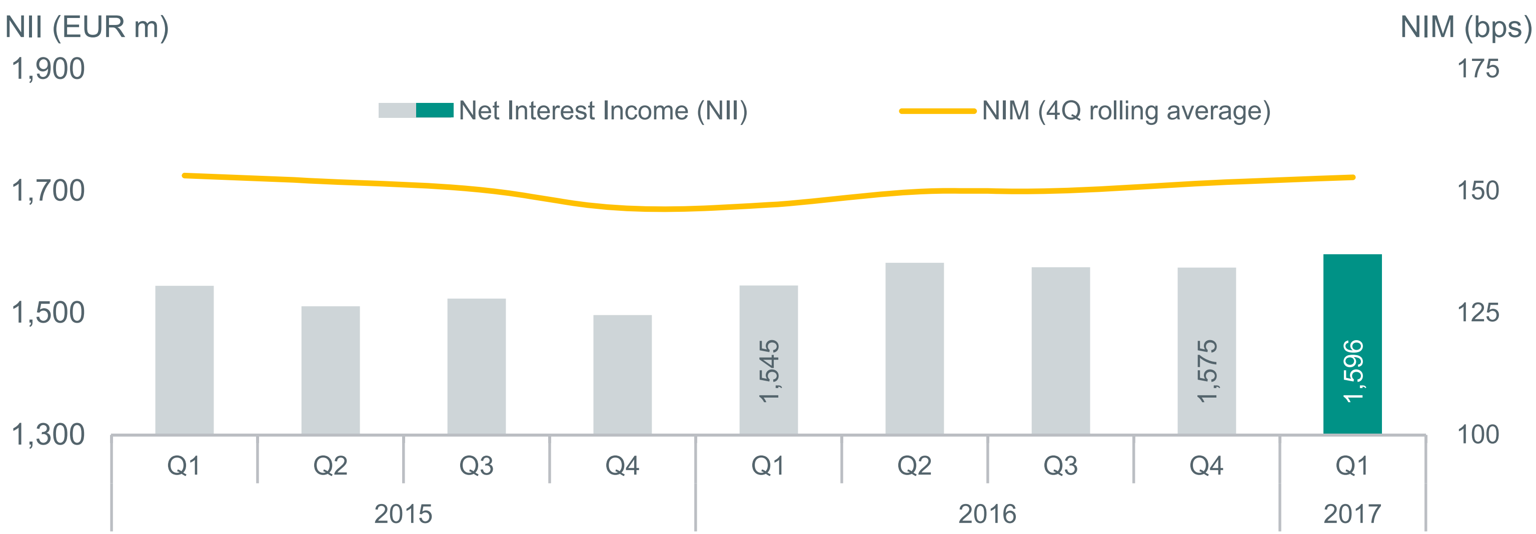




- CET1 at 16.9% remained strong ahead of Basel IV
- RWA up driven by temporary add-ons resulting from the AMA implementation (operational risk)
- A future CET1 target of 13.5% is anticipated [1)]
- Capital position and targets to be re-assessed once there is clarity on Basel IV
- Leverage Ratio (FL) reached 3.7% vs. our ≥4% ambition by YE2018

1) A future CET1 of 13.5% is anticipated following an expected SREP of 11.75% in 2019, and includes a P2G buffer and a management buffer

# Interest income remains robust (1/3)

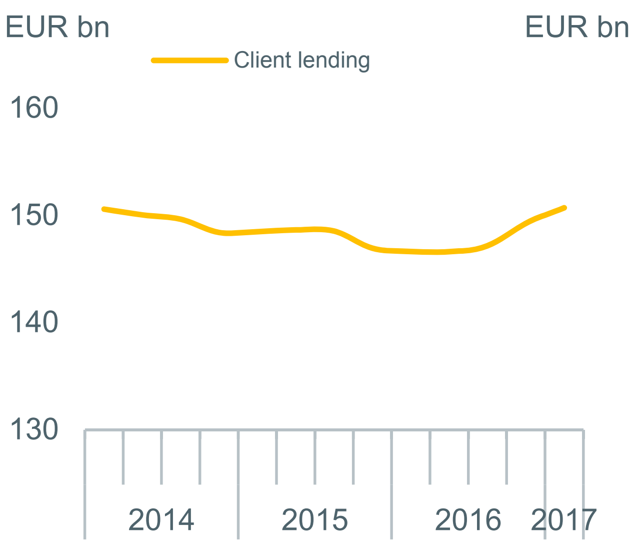
## NII benefits from loan growth and lower savings rates




- NII remained robust, despite low interest rates: NII up 3% vs. Q1 2016, 1% vs. Q4 2016
- Q1 2017 NII increase predominantly driven by loan growth
- Rates were lowered further on the main retail savings products:
  - from 70bps at YE2015 to 25bps at YE2016
  - to 20 bps at the end of Q1 2017

# Interest income remains robust (2/3)

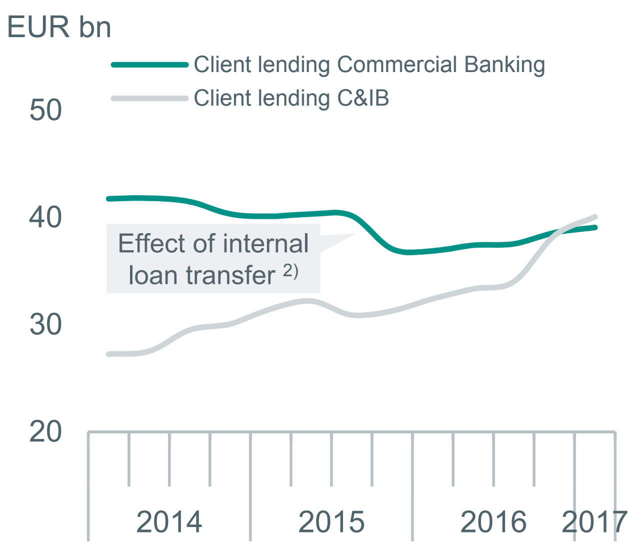
## Mortgages 1)




NII increase driven by

- increased (net) new mortgage production
- repricing of low-margin mortgages in the past year

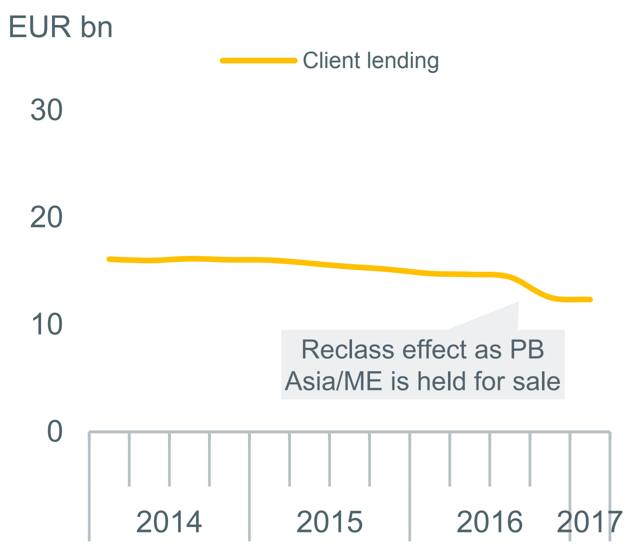
## Corporate loans 1)




NII benefited from

- loan growth in Commercial Banking by EUR 0.5bn
- growth in C&IB by EUR 1.7bn (partly in ECT)

## Consumer loans




NII pressure from

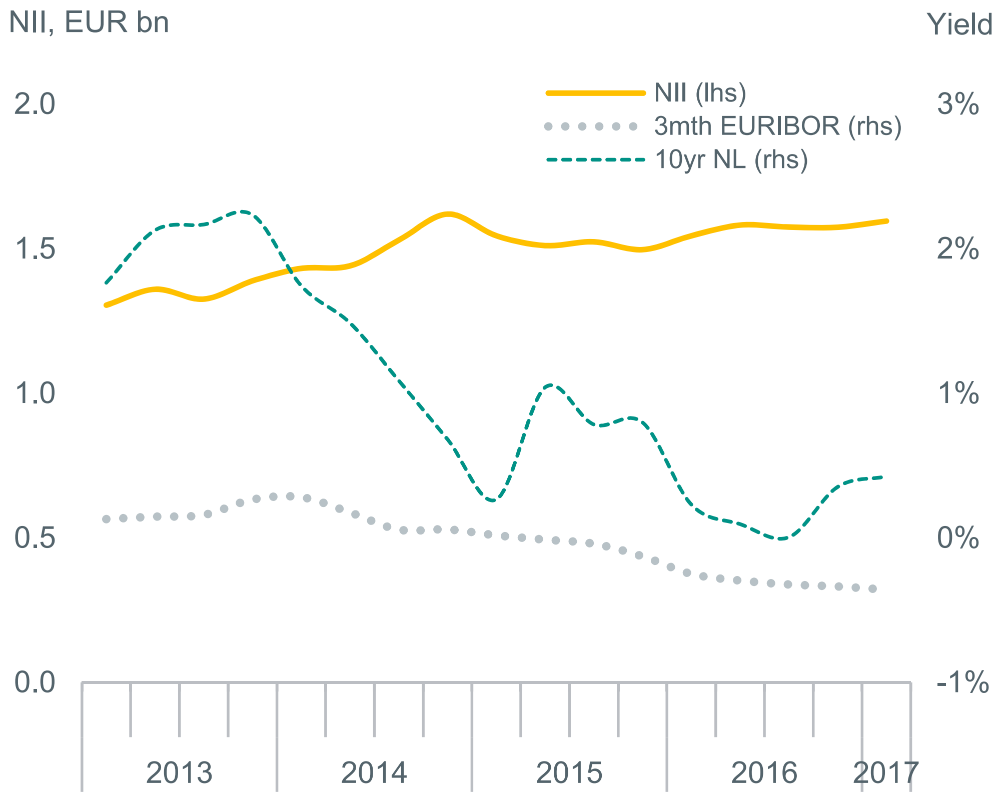
- gradual volume decline, in line with market, primarily due to higher redemptions and lower new origination
- margins coming down in the market

1) As of Q4 2016 reported IFRS figures are used, historic figures before Q4 2016 exclude the impact of IFRIC adjustments
2) L&R customers impacted by EUR 2.3bn transfer of Public Sector Loans to Group Functions in Q4 2015

# Interest income remains robust (3/3)

## Hedging the balance sheet against interest rate movements helps stabilise NII

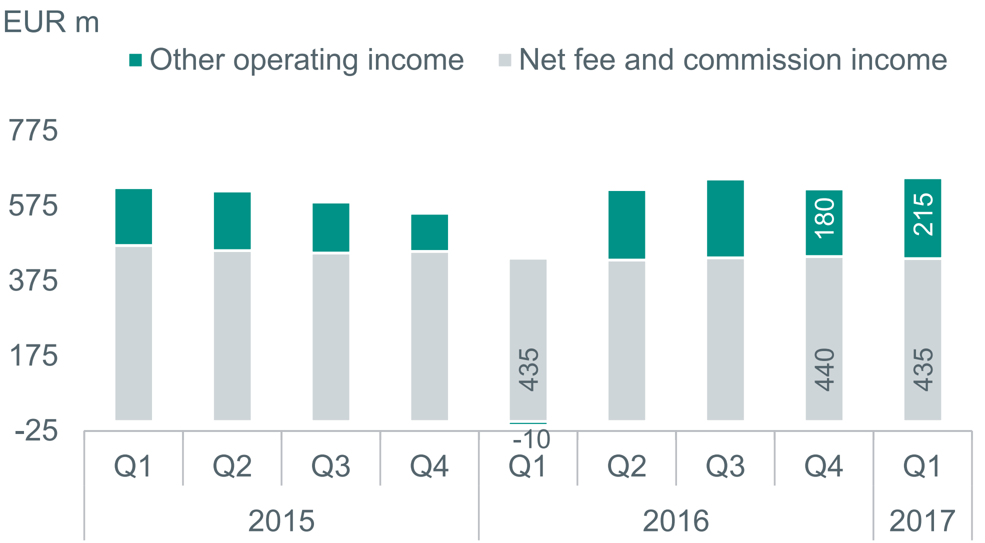
- Conceptually, interest rate risk is managed by swapping both assets and liabilities to floating
- In practice what we do is:
  - Wholesale funding and the liquidity buffer are swapped individually to a floating rate
  - Loans and deposits are managed on a portfolio basis, where only the net interest exposure is hedged with swap contracts
- As a result, interest income is predominantly driven by the commercial margin and volume developments
- NII-at-Risk [1]: at YE2016 a 200bps gradual decline in interest rates during next 12 months is estimated to lead to a 0.4% NII decline (EUR -24m), whereas a 200bps gradual rise results in a 0.6% NII increase (EUR 32m)



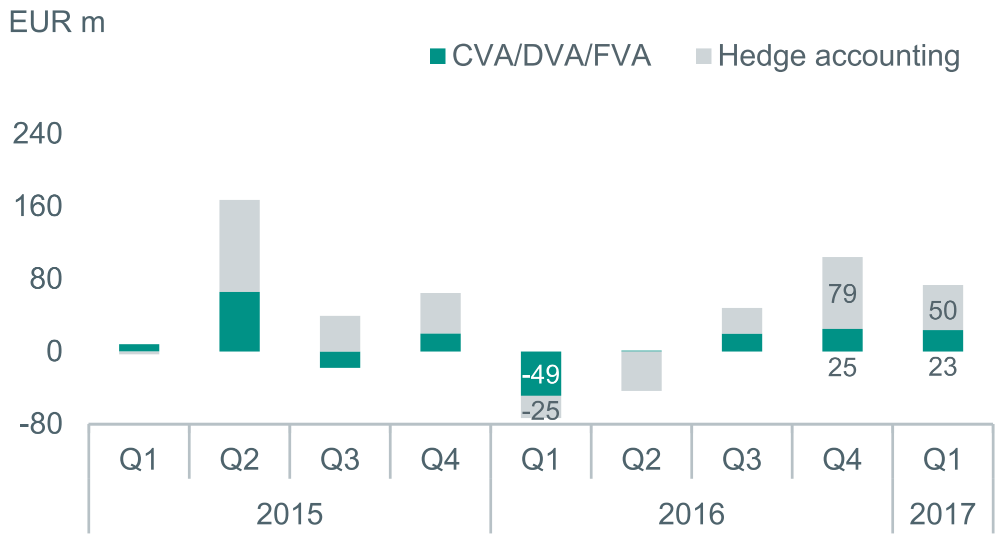

1) In the NII-at-risk calculation some floors are applied in the falling interest rate scenario: we apply a floor of 0bps for retail deposits and a floor of -100bps for market rates
Source: SNL, 3m EURIBOR and 10yr NL Benchmark yields based on end of period

# Net Fee and Other operating income

## Fee & other income



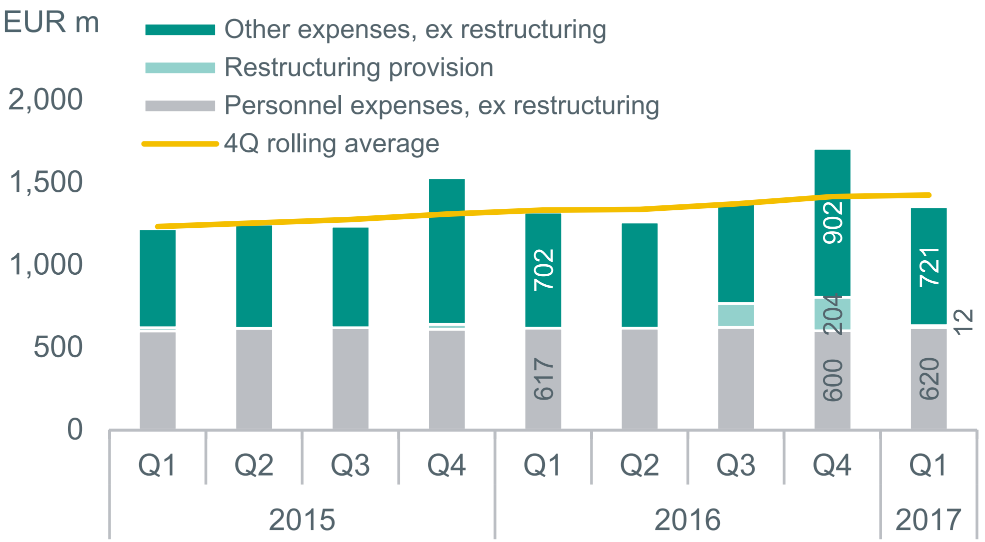

## Volatile effects in CVA/DVA/FVA and hedge accounting



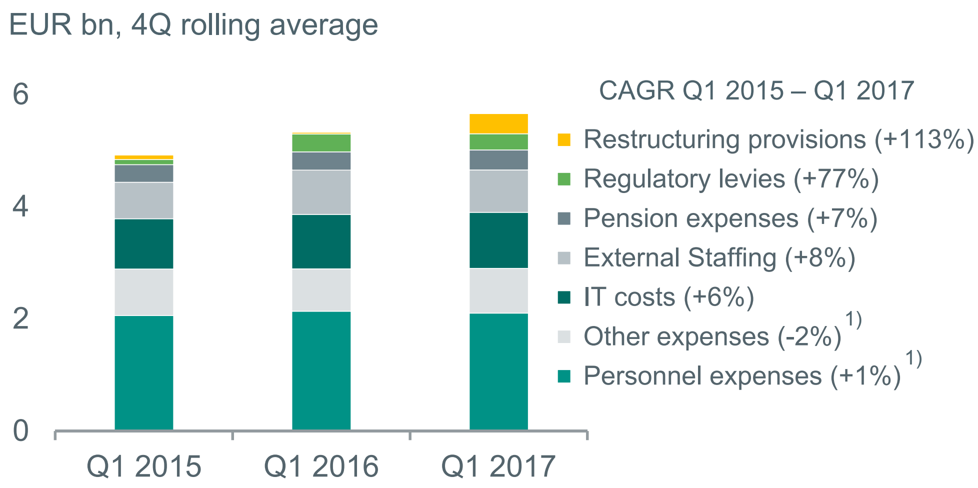

- Fee income was relatively stable over past five quarters: c. EUR 435m per quarter
- Fee income was flat vs Q1 2016: up in Private and Corporate & Institutional Banking, down in Retail and Commercial Banking
- Other operating income was up, mainly from CVA/DVA/FVA, hedge accounting and Equity Participations

# Cost increase driven primarily by regulatory demands

## Development operating expenses




## Drivers operating expenses

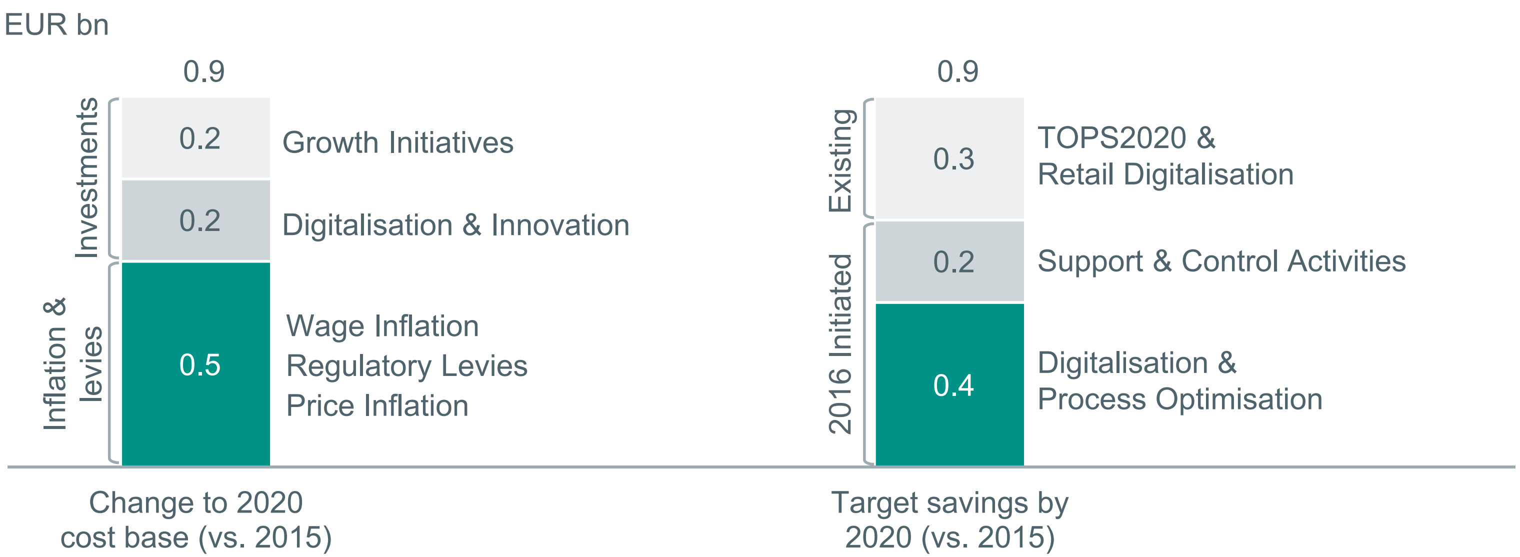



- Cost increased by 3% vs. Q1 2016, fully driven by EUR 30m increase in regulatory levies in other expenses
- Staff cost up, primarily driven by a severance provision (EUR 12m) related to the new management structure

1) Personnel expenses and other expenses are excluding the sub categories for costs as shown in the chart

# Cost expectations, additional investments and savings initiatives 2015-2020

## Increase in costs compensated by additional savings




Upward cost pressure expected to be EUR 0.9bn in 2020 vs. 2015 cost base

- inflation of current cost base and regulatory levies
- additional cost for digitalisation of processes
- additional costs for growth initiatives

EUR 0.9bn savings targeted by 2020 vs. 2015 cost base

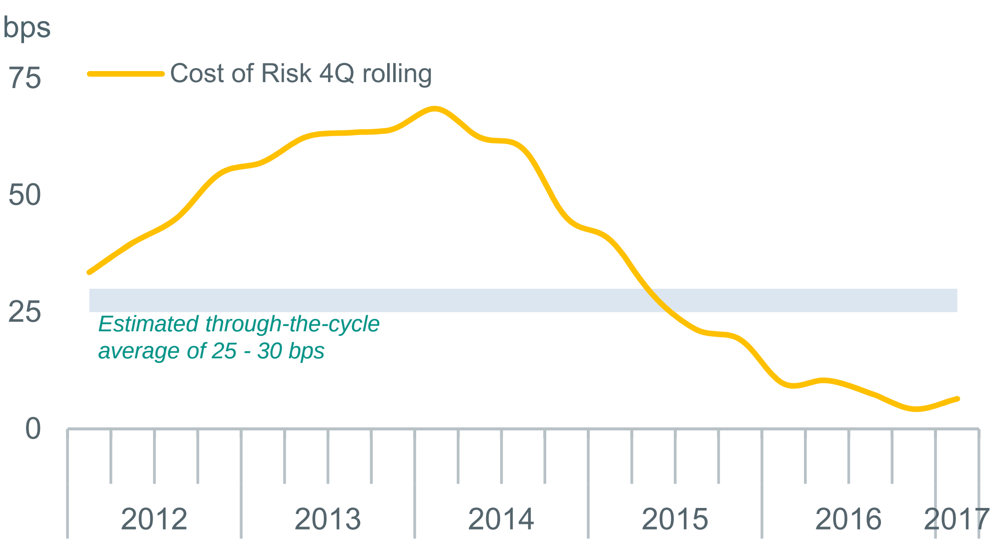
- EUR 0.4bn from digitalisation and process optimisation
- EUR 0.2bn from support & control activities
- EUR 0.3bn from TOPS2020 & Retail Digitalisation (already in execution)

## FTEs

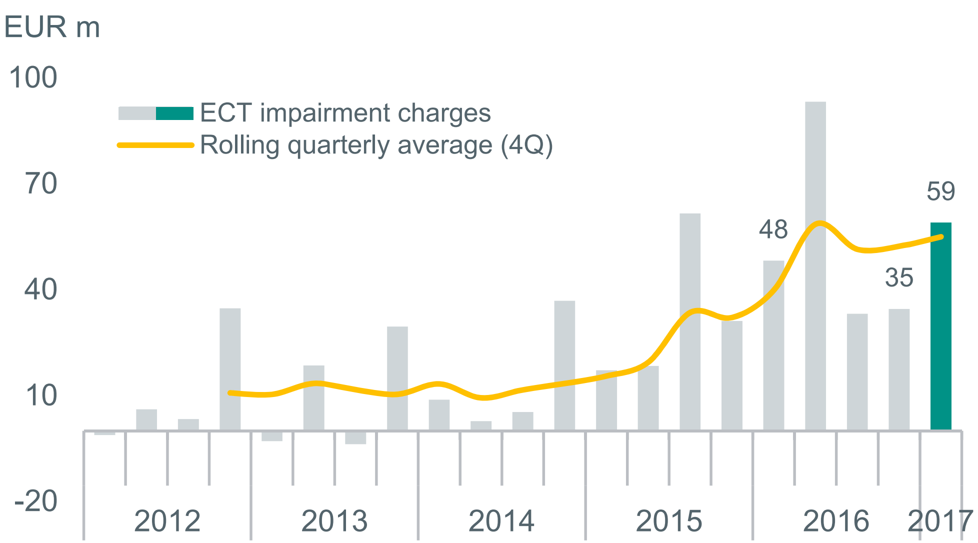
- Internal and external FTEs to decline by 13% by 2020 (vs. YE2015)
- Provisions relating to internal staff reduction
  - EUR 144m in Q3 2016
  - EUR 204m in Q4 2016
  - EUR 12m in Q1 2017

# Continued low loan impairments

## Cost of risk trend below through-the-cycle average




## Elevated ECT Impairments




- Cost of risk declined since start of 2014 and remained with 9bps in Q1 (Q1 2016: 0bps) well below the through-the-cycle average of 25-30bps
- Impairments up in Q1 2017 vs Q1 2016, driven by IBNI: EUR 5m charge in Q1 2017 vs. EUR 81m release in Q1 2016
- ECT impairments were still elevated at EUR 59m in Q1 (Q1 2016: EUR 48m)

# profile

# Retail Banking

## Key strengths

- A leading Retail Bank in the Netherlands with stable and recognised market positions and a loyal client base
- Demonstrated client-centric approach and effective multi-label strategy leading to a clear earnings model
- Seamless omni-channel distribution, with best in class digital offering and at the forefront of innovation to swiftly address shifts in client behaviour
- Low-risk business model, resilient and strong financial performance and consistent contributor to the Group
- Strong client feeder for Private Banking (threshold recently lowered to EUR 500k investable assets)

## Financials and key indicators

| EUR m | Q1 2017 | Q1 2016 |
|---|---|---|
| Net interest income | 866 | 830 |
| Net fee and commission income | 105 | 113 |
| Other operating income | 4 | 3 |
| **Operating income** | **976** | **946** |
| Operating expenses | 543 | 551 |
| **Operating result** | **432** | **394** |
| Loan impairments | -4 | 26 |
| Income tax expenses | 110 | 93 |
| **Underlying profit for the period** | **326** | **276** |
| | | |
| Contribution group operating income | 43.4% | 48.0% |
| Underlying cost/income ratio | 55.7% | 58.3% |
| Cost of risk (in bps) | -1 | 7 |

| EUR bn | Mar 2017 | Dec 2016 |
|---|---|---|
| Loans & receivables customers | 157.6 | 156.3 |
| Due to customers | 101.9 | 102.7 |
| Client assets | 116.3 | 117.9 |
| RWA | 31.1 | 31.8 |
| FTEs (#) | 5,240 | 5,266 |

# Seamless omni-channel distribution, with best in class digital offering

- Nationwide network of 216 branches (down from c. 650 start 2010)
- 24/7 Advice & Service Centre
- Embedded remote advice services

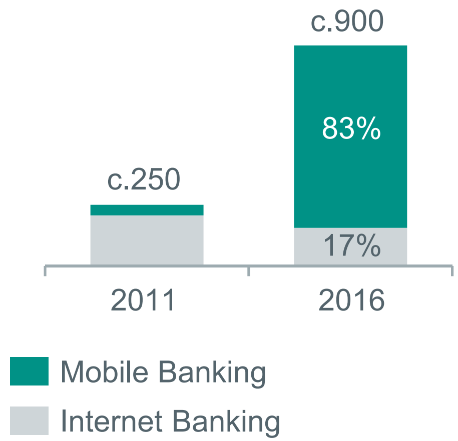
- Best in class digital offering
- Leading position domestic banking apps, #6 worldwide
- Innovative apps

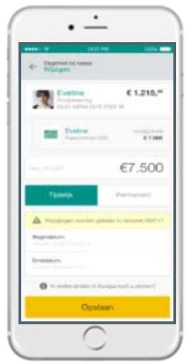
- Nonstop looking at new customer services
- Clients follow us, we follow our clients
- Getting in touch, quick and straightforward

- Complementary intermediary channels
- Subsidiaries to target specific niches
- MoneYou as growth innovator

**Strong online growth**

# online banking contacts
(logins in millions per year)



# Private Banking

## Key strengths

- Ranked no. 3 across the Eurozone
  - Largest private bank in the Netherlands
  - Particular strength in Germany (no. 3) and France (no. 4)
- Client assets of EUR 209bn at Mar 2017
  - o/w EUR 17.8bn in Asia & Middle East (sold in Q2 2017)
  - o/w EUR 1.8bn from net internal upstreaming in Q1 following the lowering of the threshold to EUR 500k
- Focus on onshore private banking
- Strong financial performance and contribution to funding of Group balance sheet with a loan to deposit ratio of 19%
- Client centric approach with scale allowing for granular client segmentation - dedicated offerings per segment
- In the Netherlands the threshold was recently lowered to EUR 500k in investable assets to leverage on the premium brand, open up services to a broader client group and gain further market share

## Financials and key indicators

| EUR m | Q1 2017 | Q1 2016 |
|---|---|---|
| Net interest income | 164 | 158 |
| Net fee and commission income | 152 | 144 |
| Other operating income | 18 | 17 |
| **Operating income** | **334** | **318** |
| Operating expenses | 269 | 260 |
| **Operating result** | **65** | **59** |
| Loan impairments | -4 | 5 |
| Income tax expenses | 16 | 10 |
| **Underlying profit for the period** | **53** | **43** |
| | | |
| Contribution group operating income | 14.9% | 16.2% |
| Underlying cost/income ratio | 80.4% | 81.6% |
| Cost of risk (in bps) | -12 | 11 |

| EUR bn | Mar 2017 | Dec 2016 |
|---|---|---|
| Loans & receivables customers [1)] | 12.0 | 12.1 |
| Due to customers [1)] | 64.7 | 61.8 |
| Client assets | 208.9 | 204.9 |
| RWA | 9.5 | 7.7 |
| FTEs (#) | 3,812 | 3,844 |

1) Excludes loans & receivables (EUR 3.4bn at Mar 2017) and deposits (EUR 5.2bn at Mar 2017) of clients in Asia & Middle East, which were reclassified as held for sale and sold in April 2017

# Focus on onshore private banking

## Broad onshore offering across segments

### Client wealth bands

- High net worth
  - client assets EUR >500k in the Netherlands
  - client assets EUR >1m outside the Netherlands
- Ultra high net worth: client assets EUR >25m

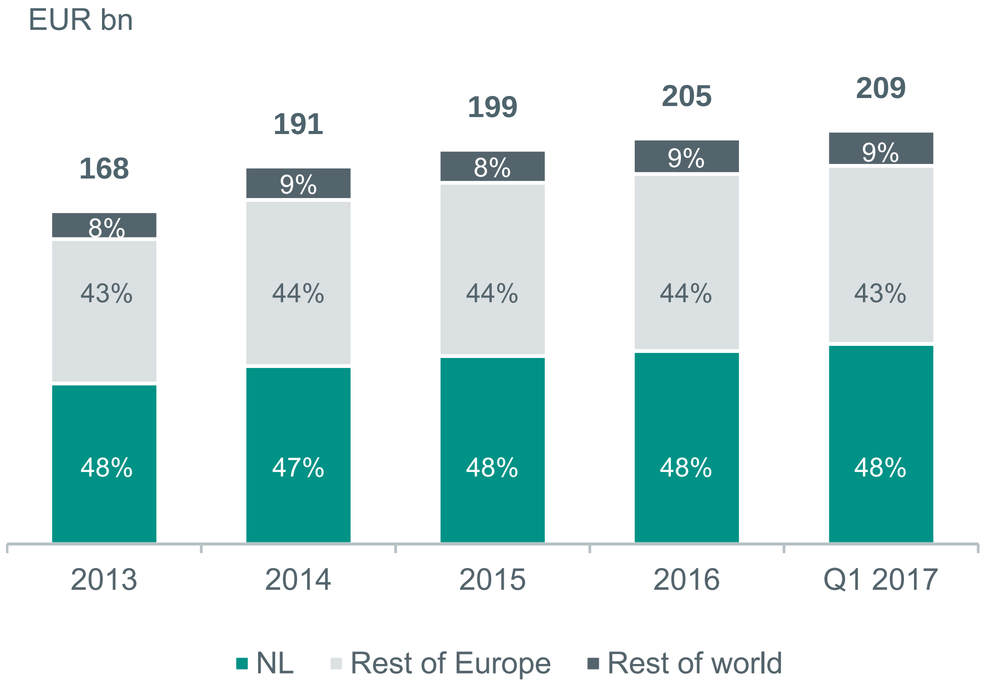
| Private wealth management | Institutions & charities | Entrepreneurs | Family money |
|---|---|---|---|

### Clear client segmentation

- Upstreaming, cross-business and cross-country client feeder model
- Strong distribution channels and local brand names

ABN·AMRO MeesPierson
Neuflize OBC ABN AMRO
Bethmann Bank ABN AMRO
ABN·AMRO Private Banking

## Client assets by geography 1)




1) Total client assets including EUR 17.8bn relating to private banking Asia & Middle East, classified as held for sale and sold in April 2017

# Commercial Banking

## Key strengths

- Leading market positions and strong brand name
- Sector oriented client portfolio and dedicated sector approach
- Relationship-driven business model
- Product expertise and capabilities
- Stringent risk reward steering and hurdle discipline
- Strict credit risk management and monitoring
- Strategic growth focus leasing and factoring in NW-Europe

## Financials and key indicators

| EUR m | Q1 2017 | Q1 2016 |
|---|---|---|
| Net interest income | 335 | 337 |
| Net fee and commission income | 47 | 50 |
| Other operating income | 11 | 6 |
| **Operating income** | **393** | **393** |
| Operating expenses | 224 | 222 |
| **Operating result** | **169** | **171** |
| Loan impairments | -8 | -58 |
| Income tax expenses | 44 | 57 |
| **Underlying profit for the period** | **132** | **173** |
| | | |
| Contribution group operating income | 17.5% | 20.0% |
| Underlying cost/income ratio | 57.0% | 56.4% |
| Cost of risk (in bps) | -8 | -62 |

| EUR bn | Mar 2017 | Dec 2016 |
|---|---|---|
| Client loans | 39.1 | 38.6 |
| Due to customers | 34.6 | 34.9 |
| RWA | 21.8 | 20.6 |
| FTEs (#) | 2,746 | 2,751 |

# Corporate & Institutional Banking

## Key strengths

- Sector oriented client portfolio and dedicated sector approach
- Leading market positions and strong brand name
- Relationship-driven business model
- Product expertise and capabilities
- Stringent risk reward steering and hurdle discipline
- Strict credit risk management and monitoring
- Strategic growth focus (in summary)
  - Utilise sector expertise
  - Expand activities to corporates in NW-Europe
  - Globally expand in sectors adjacent to ECT Clients: food production, renewables, utilities, basic materials
  - Leverage on existing IT infrastructure

## Financials and key indicators

| EUR m | Q1 2017 | Q1 2016 |
|---|---|---|
| Net interest income | 231 | 211 |
| Net fee and commission income | 143 | 139 |
| Other operating income | 103 | -35 |
| **Operating income** | **477** | **315** |
| Operating expenses | 287 | 276 |
| **Operating result** | **190** | **39** |
| Loan impairments | 77 | 32 |
| Income tax expenses | 25 | 6 |
| **Underlying profit for the period** | **88** | **0** |
| | | |
| Contribution group operating income | 21.2% | 16.0% |
| Underlying cost/income ratio | 60.1% | 87.5% |
| Cost of risk (in bps) | 52 | 26 |

| EUR bn | Mar 2017 | Dec 2016 |
|---|---|---|
| Client loans | 40.1 | 38.3 |
| Due to customers | 29.6 | 27.4 |
| RWA | 38.0 | 34.3 |
| FTEs (#) | 2,400 | 2,387 |

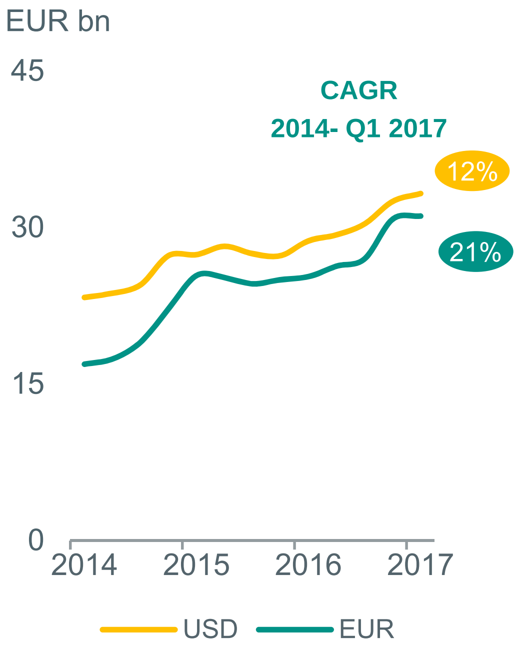
# ECT Clients operates in typically cyclical sectors

- Serves internationally active ECT Clients, requires deep sector knowledge of underlying markets
- Market cyclicality is carefully considered when financing ECT Clients. Risk management and risk monitoring is intensified, especially in current challenging circumstances for Oil & Gas and Shipping

| Exposures, Mar 2017 (EUR bn) | Energy | Commodities | Transportation | ECT Clients |
|---|---|---|---|---|
| Clients Groups (#) | c.160 | c.310 | c.200 | c.660 |
| On balance exposure | 5.8 | 15.0 | 10.2 | 31.1 |
| *portion of Total L&R of EUR 274bn* | *2.1%* | *5.5%* | *3.7%* | *11.3%* |
| Off B/S Issued LCs + Guarantees | 0.9 | 7.6 | 0.1 | 8.5 |
| **Sub total** | **6.7** | **22.5** | **10.3** | **39.6** |
| Off B/S Undrawn committed | 3.0 | 3.2 | 1.1 | 7.3 |
| **Total** | **9.7** | **25.8** | **11.5** | **46.9** |

| Risk data ECT Clients | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | **Q1 2017** |
|---|---|---|---|---|---|---|---|---|
| Impairment charges (EUR m) | 0 | 5 | 43 | 41 | 54 | 128 | 209 | **59** [1)] |
| Cost of risk (bps) | 1 | 5 | 31 | 29 | 29 | 56 | 83 | **81** |

## On balance developments




1) Of which Energy EUR 11m, Commodities EUR 24m and Transportation EUR 25m

# ECT oil & gas scenario confirms impairments to remain manageable (1/2)

| Energy sub-segment[1)] | Description of Oil & Gas related exposures in ECT Energy & Transportation | Est. size | Est. Sensitivity |
|---|---|---|---|
| FPSO | Floating Production Storage & Offloading vessels are developed for oil and gas production of offshore fields. Financing structures rely on long term contracts with investment grade major oil companies | 0.9bn | Not directly exposed to oil price risk |
| Corporate Lending | Corporate Loans in oil & gas sector: predominantly loans to investment grade oil & gas companies | 0.4bn | |
| Midstream | E.g. pipelines, tank farms, LNG terminals, etc. Typically generating revenues from medium to long-term tariff based contracts, not directly affected by oil price movements | 1.1bn | |
| Offshore Drilling | Loans to finance drilling rigs. Generally backed by charter contracts and corporate guaranteed | 0.7bn | Exposed to oil price risk |
| OSV *Transportation* | Loans to finance Offshore Support Vessels (OSV). These vessels could be operating in the spot market as well as under charter contracts | 0.3bn | |
| Other Offshore | Diversified portfolio of companies active in pipe laying, heavy lifting, subsea infra, seismic, accommodation platforms, wind park installation, etc. Corporate guaranteed | 1.2bn | |
| Upstream | Financing based on borrower's oil & gas assets. Loans typically secured by proven developed reserves of oil & gas. Includes smaller independent oil & gas producers. Majority of clients is active in both oil and gas sector and has loss absorbing capital structures in place (junior debt, second lien, equity) | 1.4bn | Exposure to oil price risk |
| Total | Total Oil & Gas related ECT Clients exposures (on-balance) | c. 6.1bn | |

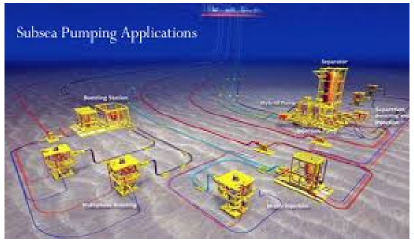
1) Allocation of Energy Clients into sub-segments is based on management views. Clients can have activities that could be mapped in other sectors. OSV is a sub-segment of Transportation and is included in this overview for its sensitivity to the oil and gas market

# ECT oil & gas scenario confirms impairments to remain manageable (2/2)

## Scenario: lower for longer oil prices and subdued oil investments

- The scenario over H2 2016 until FY2017 assumes a continuation of low investment levels by oil & gas industry based on a prolonged low oil price
- Impairments for the scenario are modelled to be EUR 125-200m (18 months: H2 2016 & FY2017), which we consider manageable in view of the size of our portfolio
- Impairments were EUR 11m in Q1 2017 (Q1 2016: EUR 29m, H2 2016 EUR 12m, FY2016 EUR 104m)

Offshore Drilling




Subsea Infra

Offshore Support Vessels

Seismic

Oilfield Services & Equipment

Upstream
(Reserve Base Lending)

Accommodation Platforms

Floating Production

Midstream

LNG, Downstream,
Renewables

1) The allocation of clients into Energy Clients sub-segment has been based on management views for managerial purposes. Clients can have activities that could be mapped in other sectors

# Effects of Transportation scenario to stay within risk limits

## Scenario analysis

- Downturn assumptions, without mitigating measures on full portfolio
- Outcomes considered manageable given a) portfolio size; b) past experience showing that risk measures and c) file restructurings can reduce impairments; portfolio to remain within its sector limits

## Mild scenario

- Downturn period of 18 months, with oversupply not abating
- Up to a 3 notch downgrades applied and specific files forced into default
- Modelled impairments: c. EUR 75m over 18 months (FY2016 & H1 2017)

## Severe scenario

- Downturn period of 24 months, with increasing oversupply in dry bulk & containers
- Up to a 4 notch downgrades applied and specific files forced into default
- Modelled impairments: c. EUR 225m over 24 months (FY2016 & FY2017)

*Impairments on Transportation Clients in Q1 2017 were EUR 25m*
*(Q1 2016 EUR 6m, FY2016 EUR 59m)*


Dry Bulk


Tankers

Containerships


Offshore Support Vessels

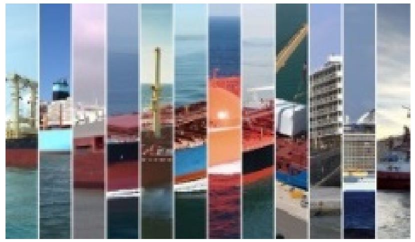

Car/Roro


Intermodal


Shuttle Tankers

LNG

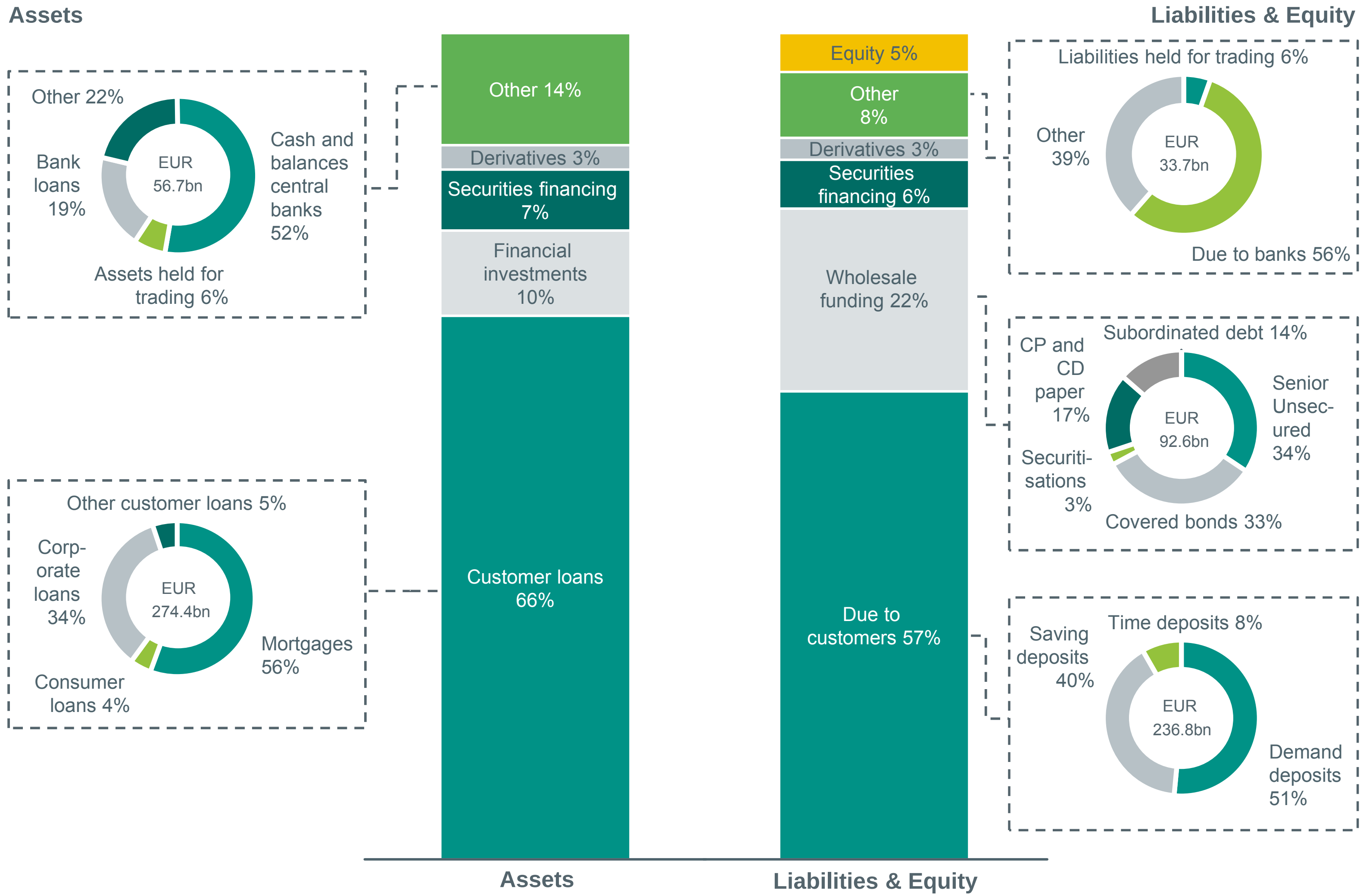
LPG


Mixed

# ABN AMRO balance sheet composition

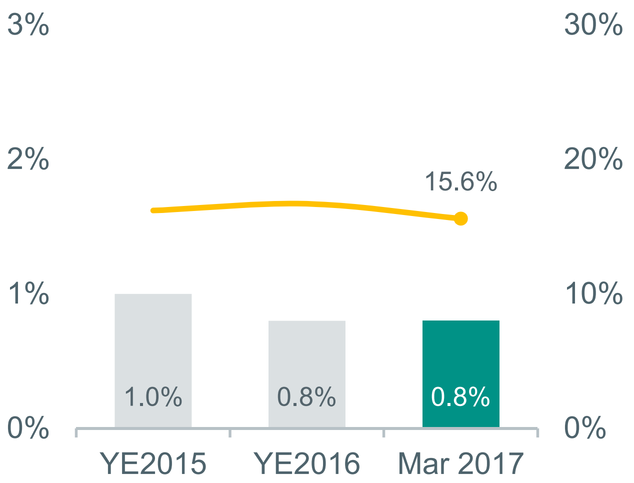
## Clean and strong balance sheet of EUR 418bn (Mar 2017) reflecting moderate risk profile

- Strong focus on collateralised lending
- Loan portfolio matched deposits, long-term debt and equity
- Strategic focus to limit LtD ratio
- Limited reliance on short-term debt
- Limited market risk and trading portfolios
- Off-balance sheet commitments & contingent liabilities EUR 44bn

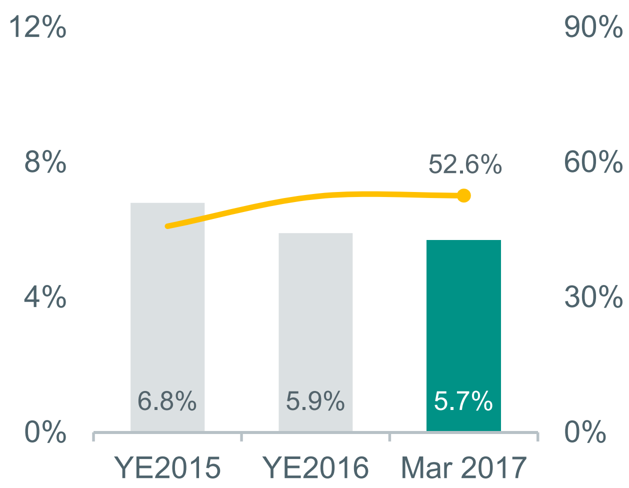


# Risk ratios improve following a decline of impaired loans

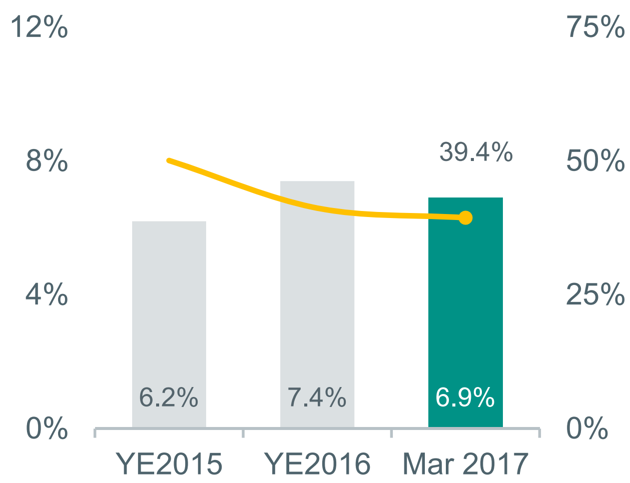
## Residential mortgages 1)




## Consumer loans 1)




## Corporate loans 1)




Impaired ratio (lhs) Coverage ratio (rhs)

- The volume of impaired customer loans declined to EUR 8.8bn or 3.2% (from 3.3% at YE2016)
  - Mortgages remained low at 0.8%
  - Impaired exposures and allowances for consumer loans continued to decline
  - Impaired corporate loans declined, despite elevated level of impaired loans in ECT
- The coverage ratio on loans & receivables customers decreased to 36.7% (YE2016: 38.4%) due to lower allowances

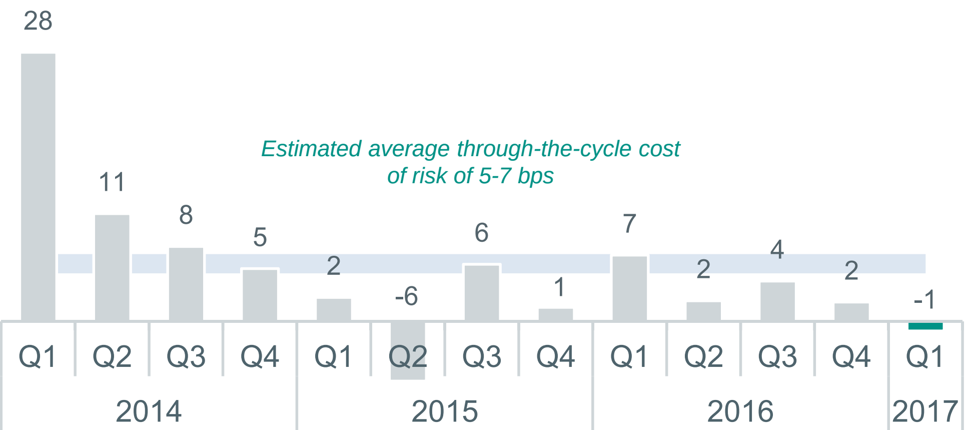
1) Definitions of default and impaired were aligned in Q3 2016. Defaulted clients without impairment allowances are now also defined as impaired. Comparable figures in the chart have been restated accordingly excluding the reclassification in allowances for impairments within residential mortgages

# Mortgage book benefits from housing recovery and regulatory changes

## Strong decline in mortgage impairments

bps

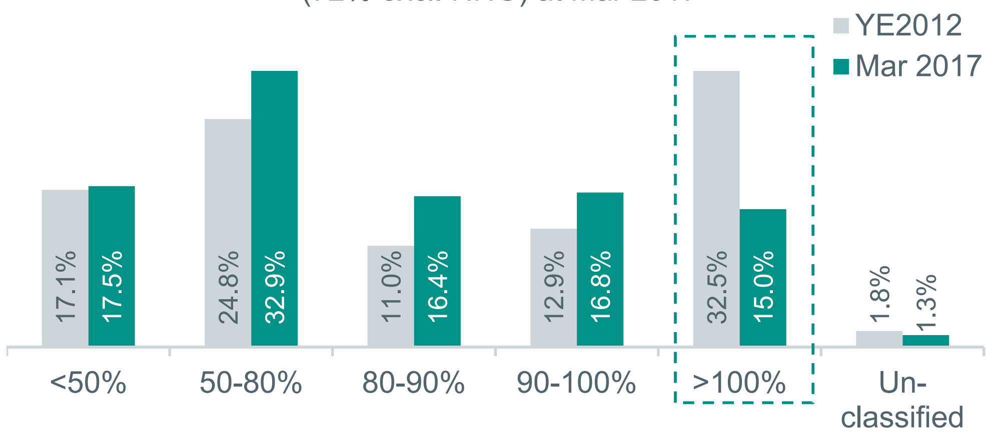
Cost of risk declined strongly following the recovery of the Dutch housing market



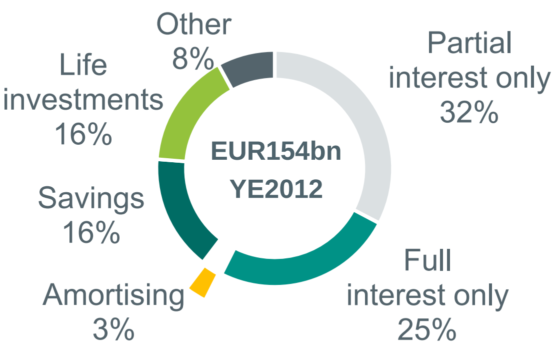

## Strong LtMV improvement, also for the '>100%' class

EUR bn

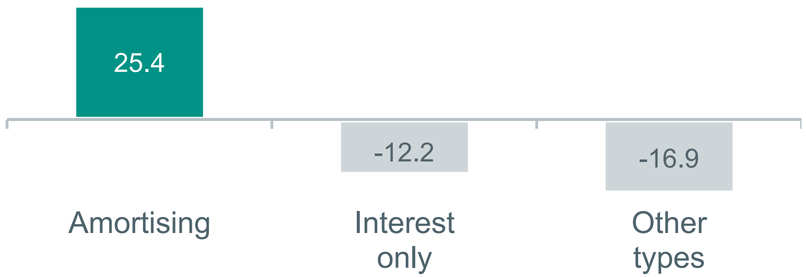
Average LtMV improved to 75% (72% excl. NHG) at Mar 2017

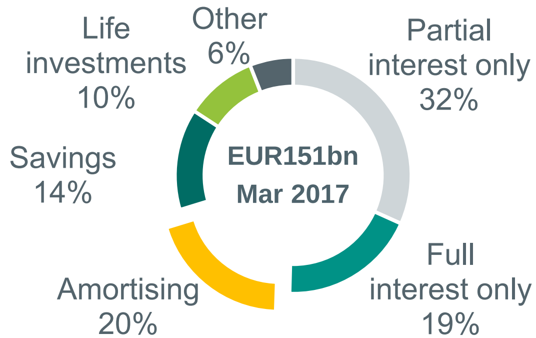



## Mortgage book composition changes towards amortising loans




Absolute change in mortgage loan book Mar 2017 vs. YE2012 (EUR bn)



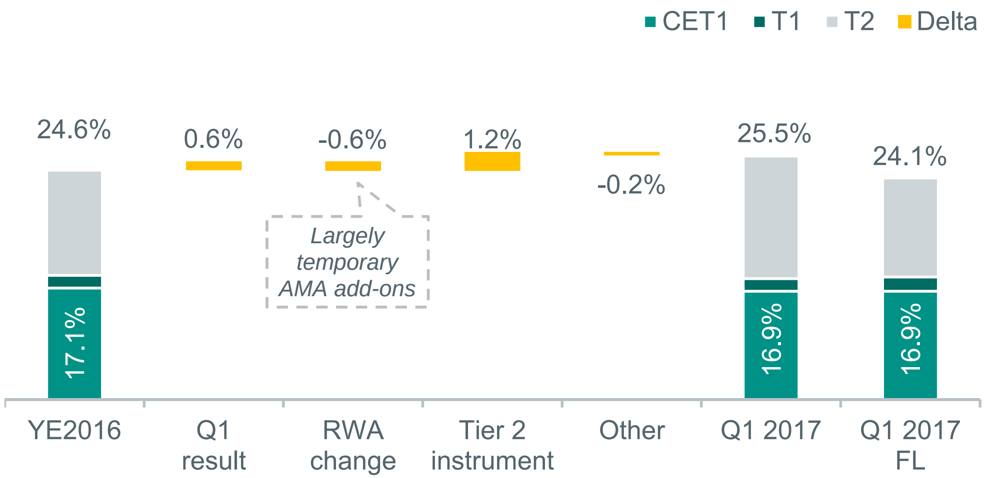



# Continued capital accrual, ahead of regulatory clarity

## Capital position further strengthened

| CRD IV phase-in capital | Q1 2017 | YE2016 | YE2015 |
|---|---|---|---|
| EUR m | | | |
| **Total Equity (IFRS)** | **19,404** | **18,937** | **17,584** |
| Other | -1,391 | -1,162 | -816 |
| **CET1** | **18,013** | **17,775** | **16,768** |
| Innovative instruments | - | - | 700 |
| Capital securities (AT1) | 993 | 993 | 993 |
| Other regulatory adjustments | -85 | -164 | -234 |
| **Tier 1** | **18,922** | **18,605** | **18,226** |
| Sub-Debt | 8,380 | 7,150 | 4,938 |
| Excess T1 recognised as T2 | - | - | 300 |
| Other adjustments | -31 | -118 | -33 |
| **Total capital** | **27,271** | **25,637** | **23,431** |
| *o/w IRB Provision shortfall* | *307* | *298* | *261* |
| | | | |
| **Total RWA** | **106,744** | **104,215** | **108,001** |
| o/w Credit risk | 83,134 | 83,140 | 86,063 |
| o/w Operational risk | 19,982 | 17,003 | 16,227 |
| o/w Market risk | 3,628 | 4,072 | 5,710 |
| | | | |
| **Leverage ratio** (FL) | **3.7%** | **3.9%** | **3.8%** |

## Capital ratio developments (phase-in)




- Total capital ratio improved through issuance of Tier 2 and profit retention
- CET1 ratio decreased due to higher RWAs
- RWA increased vs YE2016, driven by implementation of AMA (Advanced Measurement Approach) in operational risk which includes temporary add-ons (32-49bps in CET1 ratio)
- Leverage ratio was 3.7% (≥4% ambition by YE2018)

# Capital position well above SREP for 2017

## A lower SREP requirement for 2017 [1)]

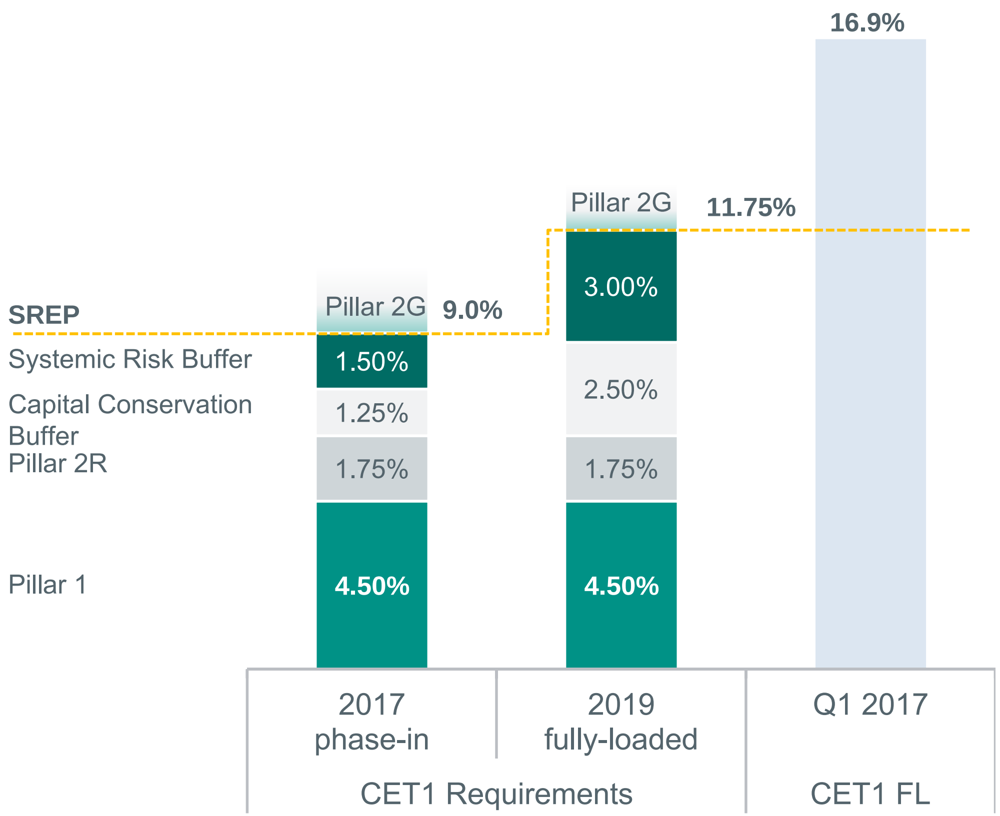
- 9% CET1 requirement for 2017 is composed of
  - 4.50% Pillar 1 (P1)
  - 1.75% Pillar 2 Requirement (P2R)
  - 1.25% Capital Conservation Buffer (CCB)
  - 1.50% Systemic Risk Buffer (SRB)

- 11.75% fully-loaded CET1 expected for 2019, composed of
  - 3.0% SRB (up from 1.5%)
  - 2.5% CCB (up from 1.25%)

- ABN AMRO **anticipates** a **13.5% CET1 target** (at the upper end of current range) [2)], including a
  - Fully-loaded CCB and SRB
  - P2G (non-public)
  - Management buffer

## SREP requirements [1)]

- Pillar 2 is split in P2R and P2G
- P2G is a non-public regulatory buffer and is excluded from the MDA trigger




1) SREP currently excludes any requirement for a Countercyclical Buffer
2) Excluding possible implications and consequences from the revisions to the calculation of risk weighted assets (Basel IV)

# Capital ambitions & implications

## Leverage ratio ambition

*Leverage ratio (FL) based on*
*Tier 1 (CET1 and AT1) capital*


- Leverage ratio was 3.7%, down vs. YE2016 (3.9%), mainly driven by the seasonal increase in the balance sheet
- Steering through profit retention, additional AT1 issuance, balance sheet management and  product offerings
- Regulatory developments: a change in Clearing treatment could lower the Exposure Measure and result in an estimated 35-45bps leverage ratio increase, however this could partly be offset by an adjustment of the credit conversion factors for off-balance exposures
- Based on the current capital position, the ambition requires c. EUR 1.5bn in profit retention and/or additional T1 capital

## MREL ambition

*Based on Own Funds (CET1, AT1 and T2) and*
*other subordinated liabilities* [1)]


- Steering through profit retention, subordinated debt issuance, manage balance sheet and currently excludes the use of senior unsecured
- Regulatory:
  - Final regulations determine final requirements (includes NRA/SRB guidance)
  - Pre-position for TLAC: although not directly applicable to ABN AMRO, we currently expect to meet TLAC requirements when meeting our MREL ambition
- Ambition requires c. EUR 2.7bn increase of Own Funds (CET1, AT1 and T2) or other sub debt

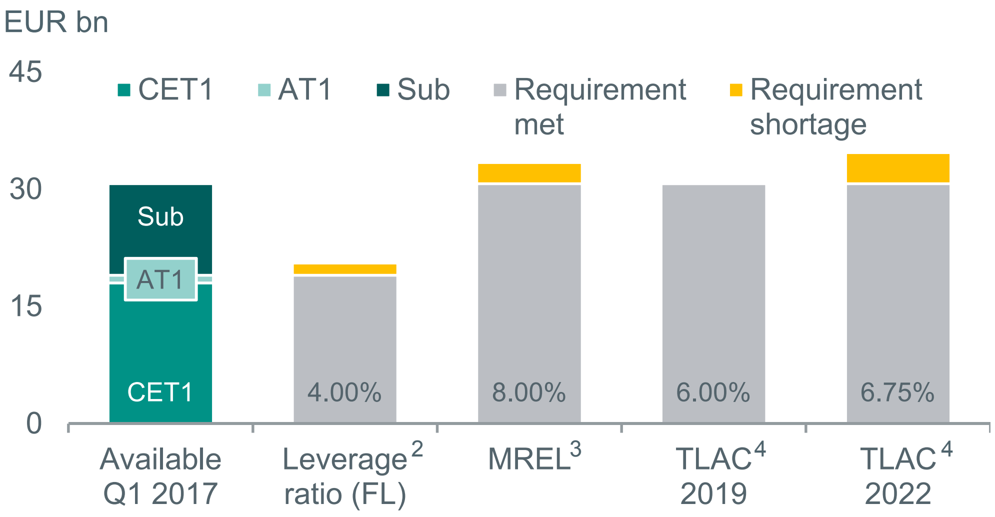
1) The Single Resolution Board indicated to apply a Single-Point-of-Entry strategy with ABN AMRO Bank being the resolution entity. ABN AMRO will therefore continue to issue external MREL eligible instruments through ABN AMRO Bank

# Capital buffers in anticipation of pending capital requirements

## MDA trigger in 2017 [1)]

- FL CET1 of 16.9% at Q1 2017 is well above the 9% SREP requirement for 2017
- Maximum Distributable Amount (MDA) on a consolidated group basis:
  - current capital position provides a strong buffer before MDA restrictions apply
  - currently the MDA-trigger is at 9.6% CET1, given a 0.6% AT1 shortfall (Q1 2017, FL)
  - P2G is not relevant for MDA trigger
- Expected MDA-trigger of 11.75% CET1 in 2019
  - 3.0% SRB (up from 1.5%)
  - 2.5% CCB (up from 1.25%)

## Capital implications seem manageable




- Implications from requirements such as Leverage, MREL and TLAC seem manageable for now, however these requirements are subject to change
- Basel IV implications remain uncertain

1) The SREP currently excludes any requirement for a Countercyclical Buffer
2) Based on Exposure Measure (eligible instruments: CET1 and AT1/T1)
3) Based on balance sheet total (eligible instruments: CET1, AT1/T1 and sub debt)
4) In the case of ABN AMRO, currently, based on the most constraining being the 6.00 - 6.75% Exposure Measure (eligible instruments: CET1, AT1 /T1 and sub debt)

# Capital instruments provide a significant buffer of loss absorbing capacity

| Type | Size (m) | Loss absorption | Callable | Maturity | Coupon | ISIN | Eligibility based on current understanding: Basel 3 / CRD 4 | BRRD MREL | FSB TLAC | S&P ALAC | Moody's LGF | Fitch QJD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Tier 1 : deeply subordinated notes** | | | | | | | | | | | | |
| OpCo AT1, 9/2015 | EUR 1,000 | Statutory | Sep 2020 | Perpetual | 5.75% p.a. | XS1278718686 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Tier 2: subordinated notes** | | | | | | | | | | | | |
| OpCo T2, 4/2011 | EUR 1,227 | Statutory | Bullet | 27 Apr 2021 | 6.375% p.a. | XS0619548216 | GF | ✓ | ✓ | ✓ | ✓ | ✓ |
| OpCo T2, 4/2011 | USD 595 | Statutory | Bullet | 27 Apr 2022 | 6.250% p.a. | XS0619547838 | GF | ✓ | ✓ | ✓ | ✓ | ✓ |
| OpCo T2, 6/2011 | USD 113 | Statutory | Bullet | 15 May 2023 | 7.75% p.a. | 144A: US00080QAD79<br>RegS:USN0028HAP03 | GF | ✓ | ✓ | ✓ | ✓ | ✓ |
| OpCo T2, 6/2015 | EUR 1,500 | Statutory | Jun 2020 | 30 Jun 2025 | 2.875% p.a. | XS1253955469 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| OpCo T2, 7/2015 | USD 1,500 | Statutory | Bullet | 28 Jul 2025 | 4.750% p.a. | XS1264600310 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| OpCo T2, 4/2016 | SGD 450 | Statutory | Apr 2021 | 1 Apr 2026 | 4.75% p.a. | XS1341466487 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| OpCo T2, 4/2016 | USD 1,000 | Statutory | Bullet | 18 Apr 2026 | 4.8% p.a. | XS1392917784/<br>US00084DAL47 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| OpCo T2, 1/2016 | EUR 1,000 | Statutory | Jan 2023 | 18 Jan 2028 | 2.875% p.a. | XS1346254573 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| OpCo T2, 3/2016 | USD 300 | Statutory | Bullet | 8 Apr 2031 | 5.6% p.a. | XS1385037558 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| OpCo T2, 3/2017 | USD 1,500 | Statutory | Mar 2023 | 27 Mar 2028 | 4.40% p.a. | XS1586330604 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Subordinated notes (pari passu with T2)** | | | | | | | | | | | | |
| OpCo, 9/2012 | USD 1,500 | Statutory | Sep 2017 | Intention to call | 6.25% p.a. | XS0827817650 | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ |
| OpCo, 10/2012 | SGD 1,000 | Statutory | Oct 2017 | Intention to call | 4.70% p.a. | XS0848055991 | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ |
| OpCo, 7/2012 | EUR 1,000 | Statutory | Bullet | 6 Jul 2022 | 7.125% p.a. | XS0802995166 | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ |
| OpCo | EUR 212 | Statutory | | 2017-2020 | | Various instruments | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ |

Overview dated at the date of this presentation. GF = grandfathered instruments, subject to annual amortisation

## AT1 disclosures (Mar 2016)

| Triggers | Trigger Levels | CET1 ratio | Distr. Items (EUR bn) |
|---|---|---|---|
| - ABN AMRO Group | 7.000% | 16.9% | n/a |
| - ABN AMRO Bank | 5.125% | 16.9% | 16,902 |
| - ABN AMRO Bank Solo Consolidated | 5.125% | 15.5% | n/a |

# Liquidity ratios and liquidity buffer actively managed

## Solid ratios and strong buffer

Funding primarily raised through client deposits

- Largest part of Dutch consumer savings is with pension and life insurance industry
- LtD ratio improved over the recent years, however at YE2016 the LtD rose driven mainly by a 'held for sale' reclassification of PB Asia & Middle East deposits

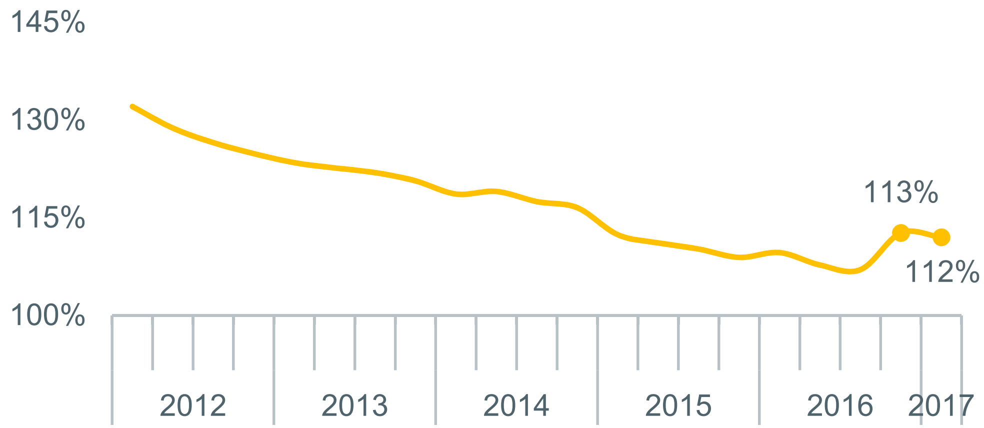
LCR and NSFR ratios comply with future requirements: >100% in Q1 2017

Drivers liquidity buffer

- Safety cushion in case of severe liquidity stress
- Regularly reviewed for size and stress
- Size in anticipation of LCR guidelines and regulatory focus on strengthening buffers
- Unencumbered and valued at liquidity value
- Focus is on optimising composition and negative carry

1) For YE2016 and YE2015 the impact of the netting adjustment as a result of the IFRIC rejection notice is included. Previous years are not restated

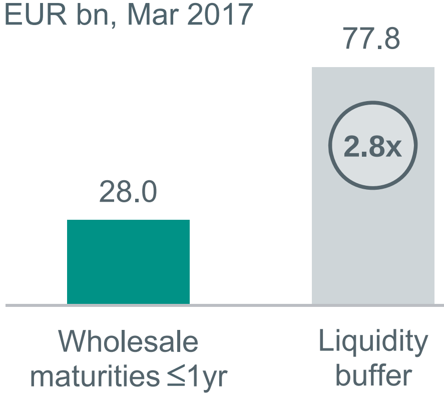
## Loan-to-deposit ratio improved over time 1)




## Composition liquidity buffer

94% of the liquidity buffer is LCR eligible

EUR bn, Mar 2017



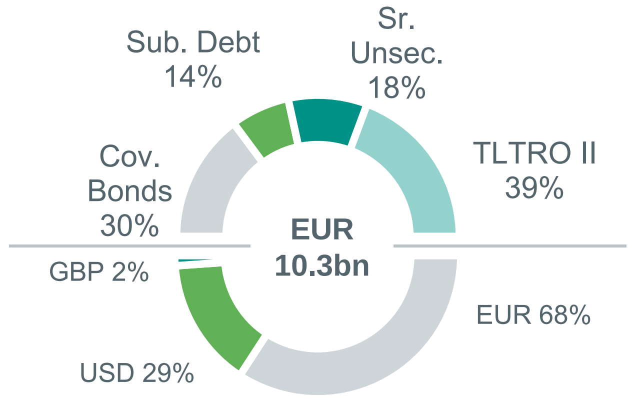

| Buffer composition | EUR bn | % | LCR |
|---|---|---|---|
| Government Bonds | 32.8 | 42% | ✓ |
| Cash/Central Bank Deposits | 28.7 | 37% | ✓ |
| Retained RMBS | 5.7 | 7% | ✗ |
| Covered Bonds | 2.0 | 3% | ✓ |
| Third Party RMBS | 1.1 | 1% | ✓ |
| Other | 7.4 | 10% | ✓ |

# Well diversified mix of wholesale funding

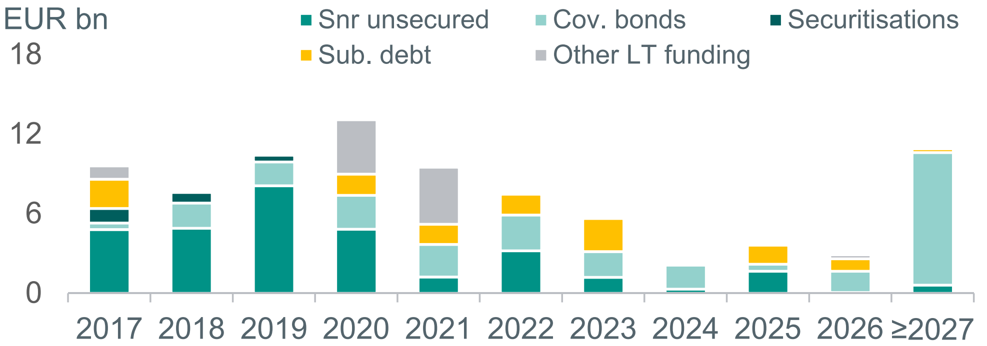
## Funding focus & successful strategy

- Diversifying funding sources, steered towards more foreign currencies
- Secured funding used strategically: asset encumbrance 16.8% at YE2016 (19.1% YE2013)
- Avg. maturity increased to 4.8yrs on 31 March 2017

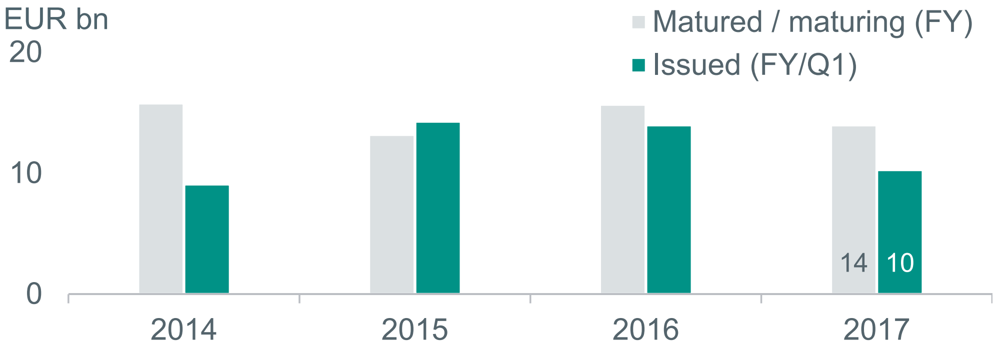
## Diversification issued term funding (Mar 2017)




## Maturity calendar term funding 1)




## Maturing vs. issued term funding 2)




1) 2017 is funding that matures in Q2, Q3 and Q4 2017. Based on notional amounts. Other LT funding not classified as issued debt which includes TLTRO II, LT repos and funding with the Dutch State as counterparty
2) Issued and matured funding in 2016 includes the voluntary prepayment of TLTRO I in Q2 2016 and the participation of TLTRO II in Q4 2016

# Credit ratings

## S&P

| Rating structure | | |
|---|---|---|
| ▪ Anchor | BICRA 3 | bbb+ |
| ▪ Business position | Adequate | +0 |
| ▪ Capital & earnings | Adequate | +0 |
| ▪ Risk position | Adequate | +0 |
| ▪ Funding<br>Liquidity | Average<br>Adequate | +0 |
| **SACP** | | **bbb+** |
| ▪ ALAC | | +2 |
| **Issuer Credit Rating** | | **A/St** |

**21/10/2016**
*"Our assessment of ABN AMRO's business position as "adequate" reflects the dominance of relatively stable activities in its business mix of domestic retail and commercial banking activities, and private banking, supported by sound market positions"*

## Moody's

| Rating structure | |
|---|---|
| Macro Score | Strong + |
| ▪ Solvency Score | a3 |
| ▪ Liquidity Score | baa2 |
| Financial Profile | baa1 |
| ▪ Adjustments | +0 |
| **Assigned adj. BCA** | **baa1** |
| ▪ LGF | +2 |
| ▪ Government Support | +1 |
| **Senior Unsecured Rating** | **A1/St** |

**29/11/2016**
*"ABN AMRO's baseline credit assessment of baa1 reflects the bank's overall good financial fundamentals including restored profitability and asset quality, solid capitalization and a robust liquidity position. It further captures the bank's strong footprint in the Dutch market, its balanced business mix between retail and commercial banking, and its private banking activity conducted across Europe.*

## Fitch

| Rating structure | |
|---|---|
| ▪ Viability Rating | A |
| ▪ Qualifying Junior Debt | +1 |
| ▪ Support Rating Floor | No floor |
| **Issuer Default Rating** | **A+/St** |

**24/2/2017**
*"ABN AMRO's VR reflects its strong Dutch franchise, complemented by its international private banking and energy, commodities and transportation franchises (ECT), which provide it with resilient revenue generation. The ratings also take into account the bank's continued focus on maintaining a moderate risk profile, expected gradual asset quality improvements, and limited geographical diversification."*

- Ratings of ABN AMRO Bank NV dated 16 May 2017. ABN AMRO provides this slide for information purposes only. ABN AMRO does not endorse Moody's, Fitch or Standard & Poor's ratings or views and does not accept any responsibility for their accuracy
- Capital ratings are (S&P/Moody's/Fitch): AT1: BB / nr / BB+, T2: BBB- / Baa2 / A-
- DBRS provides unsolicited ratings for ABN AMRO Bank: A(high)/R-1(middle)/Stable

# appendices

# Overview of reconciled underlying & reported quarterly results

| | 2017 | 2016 | | | | 2015 | | | |
|---|---|---|---|---|---|---|---|---|---|
| *EUR m* | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Net interest income | 1,596 | 1,575 | 1,575 | 1,582 | 1,545 | 1,497 | 1,524 | 1,511 | 1,545 |
| Net fee and commission income | 435 | 440 | 437 | 431 | 435 | 454 | 449 | 456 | 470 |
| Other operating income | 215 | 180 | 210 | 188 | -10 | 101 | 136 | 159 | 154 |
| **Operating income** | **2,246** | **2,195** | **2,222** | **2,201** | **1,971** | **2,052** | **2,109** | **2,126** | **2,168** |
| Operating expenses | 1,353 | 1,706 | 1,372 | 1,260 | 1,319 | 1,528 | 1,234 | 1,247 | 1,219 |
| **Operating result** | **893** | **489** | **849** | **941** | **651** | **524** | **875** | **879** | **949** |
| Impairment charges | 63 | 35 | 23 | 54 | 2 | 124 | 94 | 34 | 252 |
| Income taxes | 215 | 120 | 220 | 225 | 175 | 128 | 272 | 244 | 154 |
| **Underlying profit for the period** | **615** | **333** | **607** | **662** | **475** | **272** | **509** | **600** | **543** |
| Special items | - | - | - | -271 | - | - | - | - | - |
| **Profit for the period** | **615** | **333** | **607** | **391** | **475** | **272** | **509** | **600** | **543** |
| FTE | 21,381 | 21,664 | 21,809 | 21,939 | 21,999 | 22,048 | 22,101 | 22,151 | 22,224 |

# Recent wholesale funding benchmark transactions

GlobalCapital SRI Awards
Most Impressive Bank Green/SRI Bond Issuer (2016)

mtn-i
Deal of the Year (2016)
USD 300m 5.6%
T2 Formosa due 2031

| Type[1] | Size (m) | Maturity | Spread (coupon)[2] | Issue date | Maturity date | ISIN |
|---|---|---|---|---|---|---|
| **YTD2017 benchmarks** | | | | | | |
| T2 | USD 1,500 | 11NC6 | T+240 (4.40%) | 20.03.'17 | 27.03.'28 | XS1586330604 |
| Sr Un (144A) | USD 750 | 2yrs | 3m$L+64 | 11.01.'17 | 18.01.'19 | XS1549579446 / US00084DAP50 |
| Sr Un (144A) | USD 1,000 | 2yrs | T+93 (2.10%) | 11.01.'17 | 18.01.'19 | XS1549579529/US00084DAN03 |
| CB | EUR 2,000 | 15yrs | m/s+15 (1.125%) | 04.01.'17 | 12.01.'32 | XS1548458014 |
| CB | EUR 1,000 | 20yrs | m/s+20 (1.375%) | 04.01.'17 (incl. tap) | 12.01.'37 | XS1548493946 |
| **2016 benchmarks** | | | | | | |
| Sr Un | GBP 300 | 2yrs | 3m£L+50 | 23.11.'16 | 30.11.'18 | XS1527536590 |
| Sr Un (144A) | USD 750 | 3yrs | T+90 (1.8%) | 20.09.'16 | 20.09.'19 | XS1492363848 / US00084DAM20 |
| Sr Un Green | EUR 500 | 6yrs | m/s+52 (0.625%) | 31.05.'16 | 31.05.'22 | XS1422841202 |
| T2 (144A) | USD 1,000 | 10yrs | T+310 (4.8%) | 18.04.'16 | 18.04.'26 | XS1392917784 / US00084DAL47 |
| CB | EUR 2,250 | 15yrs | m/s+26 (1%) | 13.04.'16 | 13.04.'31 | XS1394791492 |
| T2 | USD 300 | 15yrs | 3mL+352.7 (5.6%) | 08.04.'16 | 08.04.'31 | XS1385037558 |
| T2 | SGD 450 | 10yrs | SOR +271 (4.75%) | 01.04.'16 | 01.04.'26 | XS1341466487 |
| T2 | EUR 1,000 | 12yrs | m/s+245 (2.875%) | 18.01.'16 | 18.01.'28 | XS1346254573 |
| CB | EUR 1,250 | 10yrs | m/s+11 (0.875%) | 14.01.'16 | 14.01.'26 | XS1344751968 |
| **2015 benchmarks** | | | | | | |
| CB | EUR 1,500 | 15yrs | m/s+20 (1.50%) | 22.09.'15 | 30.09.'30 | XS1298431799 |
| AT1 | EUR 1,000 | 10yrs | 5.75% | 15.09.'15 | 22.09.'25 | XS1278718686 |
| T2 (144A) | USD 1,500 | 10yrs | T+245 (4.75%) | 28.07.'15 | 28.07.'25 | XS1264600310 / US00080QAF28 |
| T2 | EUR 1,500 | 10yrs | m/s+235 (2.875%) | 30.06.'15 | 30.06.'25 | XS1253955469 |
| Sr Un Green | EUR 500 | 5yrs | m/s+45 (0.75%) | 09.06.'15 | 09.06.'20 | XS1244060486 |
| Sr Un (144A) | USD 500 | 3yrs | T+87.5 (1.8%) | 28.05.'15 | 28.05.'18 | XS1241945390 / US00084DAK63 |
| Sr Un (144A) | USD 1,750 | 5yrs | T+100 (2.45%) | 04.06.'15 | 04.06.'20 | XS1241945473 / US00084DAJ90 |
| Sr Un | EUR 1,250 | 10yrs | m/s+58 (1.00%) | 16.04.'15 | 16.04.'25 | XS1218821756 |

1) Sr Un = Senior Unsecured, Sr Un Green = Senior Unsecured Green Bonds, CB = Covered Bond, RMBS = Residential Mortgage Backed Security, T2 = Tier 2
2) 3me = 3 months Euribor, 3m£L = 3 months £ Libor , T= US Treasuries, 3m$L= 3 months US Libor, G=Gilt

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