ABN AMRO Investor Day

ABN AMRO Investor Day

London, 16 November 2018

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09h30 – 09h35	**Welcome & programme**	**Dies Donker (Head of IR)**	**3**
09h35 – 10h00	Banking for better, for generations to come	Kees van Dijkhuizen (CEO)	4
10h00 – 10h25	Accelerate to the future	Christian Bornfeld (CI&TO)	20
10h25 – 10h45	Safeguarding our moderate risk profile	Tanja Cuppen (CRO)	33
10h45 – 11h15	Q&A	CEO, CI&TO, CRO	44
11h15 – 11h40	Break	-	45
11h40 – 12h00	Customer experience, our key priority	Frans van der Horst (CEO RB)	46
12h00 – 12h20	Transforming to a more scalable private bank	Pieter van Mierlo (CEO PB)	60
12h20 – 12h40	Q&A	CEOs RB and PB	71
12h40 – 13h25	Lunch	-	72
13h25 – 13h45	Future proof CIB	Rutger van Nouhuijs (CEO CIB)	73
13h45 – 14h05	Sustainability, a business opportunity	Daphne de Kluis (CEO CB)	85
14h05 – 14h25	Q&A	CEOs CIB, CB	94
14h25 – 14h40	Break	-	95
14h40 – 15h05	Strong capital generation and return	Clifford Abrahams (CFO)	96
15h05 – 15h25	Q&A	CFO	115
15h25 – 15h30	Wrap up	Kees van Dijkhuizen (CEO)	117

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Banking for better, for generations to come

CEO | Kees van Dijkhuizen

16 November 2018

Decisive management team achieving good results

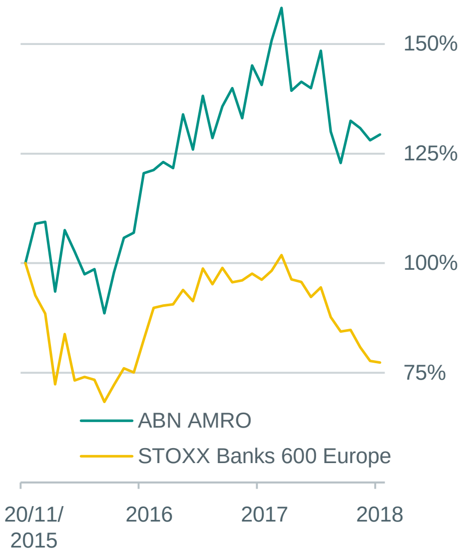
- Disciplined delivery since IPO
- Strategic steps taken to further improve the bank
- Accelerating the sustainability shift of our clients in a profitable way
- Moderate risk profile as evidenced by our good 2018 EU-wide stress results, confirming resilience in adverse economic scenarios
- Delivering attractive results with high capital return

Strong results and steady capital generation since IPO in 2015

Development key financial targets

	2013	2015	2017	2018 YTD	IPO target
ROE	5.5%	12.0%	14.5%[1)]	13.1%	10-13% in coming years
C/I ratio	63.6%	61.8%	60.1%[1)]	55.3%[2)]	56-60% 2017
CET1 ratio	13.9%	15.5%	17.7%	18.6%	11.5-13.5% fully loaded
Dividend pay-out ratio	30%	40%	50%	60%[3)]	50% 2017

ABN AMRO share price since IPO



1) Excluding the gain on PB Asia sale, the ROE was 13.4% and C/I was 61.2%

2) Cost/Income in the 4th quarter will be higher due to. regulatory levies , among other things

3) Dividend accrual YTD of 60%; final decision in FY results.

Strategic steps taken to further improve profile and profitability

New and decisive management team in place

Sharpened C/I ratio to 56-58% by 2020
Nominal cost level 2020 lower than 2015

Continued IT Transformation and digitalisation
Strong digital offering. 65% of retail sales digital
Peer-to-peer app Tikkie with close to 5 million users

Strategic focus Private Bank
Scalable franchise with strong local brands in core countries in NW Europe

CIB Update
Reduction of RWAs from 39 bn to 34 bn to improve ROE above10% by 2021

Focus on sustainability
Real Estate portfolio to average energy label 'A' in 2030, sustainable investments as the norm and becoming a partner of choice to support clients in a circular business model

Purpose-led organisation to benefit all stakeholders

Societal and banking trends

Continuously changing expectations
- New technology
- Increasing regulation
- Safety and security

Unbundling of value chains
- Digital ecosystems and partnerships
- Disintermediation
- Open Banking

Megatrends
- Climate change
- Sharing economy
- Ageing population

Stakeholder expectations

Clients
- Effortless customer experience
- Proactive and relevant advice
- Safe, stable banking services

Investors
- Attractive returns
- High capital return
- A responsible investment proposition

Employees
- Purpose-led and values-driven culture
- Improving the employee journey

Society
- Integrate societal impact in decisions
- Accelerate the sustainability shift

Three pillars to help us live our purpose throughout the bank

Build on three pillars to the benefit of all our stakeholders: clients, employees, investors and society

Sustainability

- Clear business opportunity
- Engage with clients to support the transition to sustainable business model
- Maintain strong DJSI score
- Lead by example

Customer experience

- Treasuring the customer relationship
- Customer-focused and data-driven
- Effortless and recognizable customer experience
- Partner to deliver better services and extend to adjacent industries

Future-proof bank

- Purpose-led and values-driven culture
- Product and process rationalisation and optimisation
- Continued I&T improvements guided by business needs
- Improving the employee journey

Continued focus on strong digital proposition of Retail Banking

Key features

- Focus on Dutch, mass affluent clients
- 5 million clients, primary bank for 20% of Dutch population
- Strong digital focus: >1 billion annual client contacts
- Short-term revenue pressure due to continued low interest rates
- Efficiency drives stable and strong ROE of 33%[1)] YTD

Committed to

- Building on proven track record for delivery and address short term revenue pressure
- Delivering differentiating customer experiences by enhancing our core offering and a continued focus on the shift to digital
- Maintaining our forefront position in innovation to increase customer loyalty and monetise our strong customer interface

'D'→'A'

Average energy level by 2030 in the
EUR 150bn residential real estate portfolio

37%→65%

Share of digital sales
(2016-2018)

250→135

branches
(2016-2018)

1) Based on 13.5% CET1

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Scalable Private Bank in NW Europe with growth potential

Key features

- Focus on onshore North West Europe
- Managing EUR 195bn of client assets
- Focus on Private Wealth Management, Entrepreneurs & Enterprise and LifeCycle segments
- Clear market leader in NL, number 3 and 5 positions in Germany and France
- ROE of 23%[1] YTD

Committed to

- Continued focus on North West Europe, pursuing organic and inorganic growth
- Further harmonise and digitise, achieving a C/I ratio <70% by 2021
- Offer our clients sustainable investments as a standard

80%

Of new clients opt for sustainable investments in NL

81% NL 56% DE 42% FR

Clients using online solutions (August 2018)

5→2

One platform in NL and one shared platform in all other locations (2017-2021)

1) Based on 13.5% CET1

Growth through sustainable revenues in Commercial Banking

Key features

- 365,000 small-mid sized Dutch clients
- Primary bank for 25% of Dutch enterprises
- Strong economy supports good ROE of 15%[1)] YTD
- Sector knowledge as a clear differentiator

Committed to

- Service the Dutch SME market guided by client intimacy where it matters and efficiency everywhere else
- Drive the sustainable agenda to accelerate the sustainability shift, which contributes to society and our financial performance
- Grow our top line profitably and manage cost effectively

EUR 1bn

Circular assets and 100 circular deals by 2020

85%

Of all contacts are initiated digitally by 2022[2)]

50%

Product reduction in 2020

1) Based on 13.5% CET1

2) For enterprises with a yearly turnover below EUR 2.5 million

RWA reduction in CIB to increase profitability to at least 10%

Key features

- 3,000 large corporate and financials clients in North West Europe and specific global sectors
- Leading domestic franchise, established positions in selected global sectors
- Sector knowledge leveraged to neighbouring countries
- Strategic update to deliver ROE of at least 10% (YTD 9.4%[1])

Committed to

- Sustainable relationships with multi-product clients in profitable sectors
- Reducing RWA, lowering cost, and strict discipline in capital allocation
- Delivering >10% ROE targets in 2021 under Basel III and transform as preparation for Basel IV

EUR 8bn

Advisor on 12 deals Green bonds in 2018 YTD

>60%

of global clients are multi-product by 2020

10%

ROE by 2021

1) Based on 13.5% CET1

Flattish loan book in 2019-2020, opportunities in medium term

Disciplined delivery

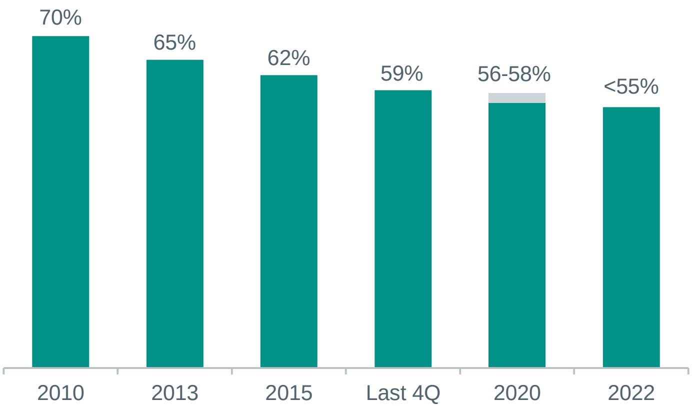
- Loan book expectation flattish for 2019-2020 due to interest rate environment and disciplined margin behaviour, however at high ROE and CET1 levels
- After 2020 moderate growth of 1-3% of the loan book is expected
- Stable fees in short term; thereafter modest pickup from growth initiatives, reflecting new services & business models, and from partnerships
- Strengthen return on capital through originate-to-distribute opportunities

Seize bolt-on opportunities for inorganic growth

- ✓ Bolt-on
- ✓ Not transformational
- ✓ Within ROE hurdle in reasonable timeframe
- ✓ Manageable by local management
- ✓ Maintain capital position

Delivering on cost savings whilst investing in growth and digital

Cost measures to ensure continued C/I improvements



Disciplined delivery

- Cumulative cost savings of EUR 640m delivered at the end of Q3 2018
- Internal and external FTEs to decline by 14% by 2020 (vs. YE2015); actual FTEs down by 12.4% vs. YE2015
- Further cost savings expected from digitalisation & process optimisation, TOPS2020 & retail digitalisation and support & control activities
- Well on track to meet 56-58% in 2020
- C/I target sharpened to <55%[1)] for 2022
- Increase IT cost efficiency
- Further product and process rationalisation and improvement across business lines and support functions

1) Based on assumptions of ABN AMRO group economics, incl on GDP, interest rates and the mortgage market

Strong capital position, well positioned for a dividend pay-out >50%

- With Basel III CET1 ratio of 18.6%, well positioned for Basel IV
- Our Basel III CET1 improved from 17.7% to 18.6% YTD 2018, while Basel IV CET 1 remained more or less stable at c.13%, before mitigations, as Basel IV inflation increased from 35% to 43%
- Mitigating actions lower Basel IV inflation from 43% to 35%. We expect to maintain our capital target range in 2019 at 17.5%-18.5% (subject to SREP)
- EU-wide stress test confirms resilience in adverse economic scenarios
- Leverage ratio a constraint in 2018, less so in later years
  - Possible legal merger Bank and Group: c.0.2%
  - SA-CCR (Clearing) expected by 2021 at the latest: c.0.5%
- YTD 2018 60% of profit accrued for dividend, final decision with FY result, subject to SREP
- Strong ROE and moderate RWA growth create further room for a dividend pay-out clearly above 50% in later years

Financial targets

	2017	2018 YTD	Targets
ROE	14.5%[1)]	13.1%	10-13%
C/I ratio	60.1%[1)]	55.3%[2)]	56-58% by 2020 **<55%[3)] by 2022**
CET1 ratio	17.7%	18.6%	17.5-18.5%[4)] **2019**
Dividend pay-out ratio	50%	60%[5)]	Additional distributions above 50% of sustainable profit[4,6)]

1) Excluding the gain on PB Asia sale, the ROE was 13.4% and C/I was 61.2%

2) Cost/Income in the 4th quarter will be higher due to regulatory levies, among other things

3) Based on assumptions of ABN AMRO group economics, incl on GDP, interest rates and the mortgage market

4) Additional distributions will be considered when capital is within or above the target range, and are subject to other circumstances, including regulatory and commercial considerations. Capital target range to be reviewed annually

5) Dividend accrual YTD of 60%; final decision in with FY results

6) Sustainable profit attributable to shareholders excludes exceptional items that significantly distort profitability; examples from the past would have been the PB Asia divestment (2017) and the provision for SME derivatives (2016)

Responsible investment choice with high returns

- Domestic champion in Retail, Private, Commercial and Corporate Banking in digitally-savvy and strong Dutch market
- Making a positive impact in a profitable way by accelerating the sustainability shift of our clients
- Treasuring the customer relationship increasingly working with partners
- Demonstrated delivery on cost savings, with Innovation & Technology as a critical enabler for efficiency
- Moderate risk profile based on discipline, strong capitalisation and a clean balance sheet
- Delivering attractive returns with high capital return
- Decisive and agile management team

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Accelerate to the future

Innovation & Technology | Christian Bornfeld

16 November 2018

We are committed to

- Modernising our IT landscape without large-scale re-platforming; competitive digital offering and solid roadmap in place
- Reducing the IT spend while increasing competitiveness; further simplification of IT landscape and adjustments to delivery model as key levers for efficiency
- Evolving client offerings by reinventing client journeys and further leveraging partnerships

Two strategic pillars strongly tied to innovation and technology

Build a future-proof bank

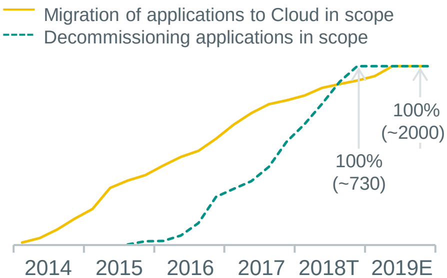
- Sustain a high level of employee engagement
- Develop, attract and retain key skills in areas like sustainability, innovation, digitalisation and analytics
- Continue consolidation, rationalisation and digitalisation of products, processes and platforms
- Strengthen data management capabilities as enabler for regulatory agenda and client offerings
- Increase cost and capital efficiency as well as agility and learning in order to reduce time-to-market
- Evolve our partnership, vendor and utility landscape to reflect the future industry dynamics

Reinvent the customer experience

- Extend our lead in digital advisory and sales
- Enhance the customer experience – anytime, anywhere on any device
- Leverage advanced analytics and AI to increase relevance and proactivity in customer experience
- Innovate and enable new business models that extend beyond traditional banking
- Address opportunities and threats associated with Open Banking
- Retain the trust of clients through continued focus on cyber security and privacy

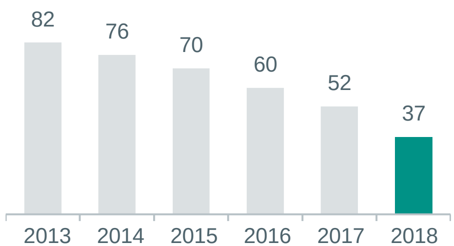
Solid base for reaching our ambitions

Modernised IT platform



- Large-scale decommissioning and re-platforming achieved
- Agile way of working adopted for all change activities
- No large-scale core system replacement needed; step-wise rejuvenation plan established

Digital focus



- 55% reduction in paper documents sent to customers over 6 years
- Strong digital offering in the retail market with award winning apps, e.g. Tikkie and Grip
- Digitalisation roadmap in place for Commercial and Private Banking

Innovation enablers

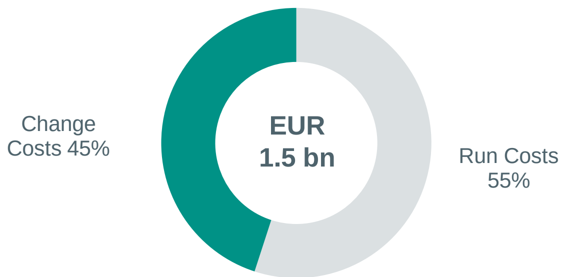
solarisBank new10 TIKKIE tink franx

- Key building blocks in place: Group Innovation, Digital Impact Fund, developer portal and partnerships
- Strong innovation culture and knowledge on key technologies like: AI, Block chain and Cloud
- Multiple learnings from our own challenger banks

Multiple levers to improve focus and IT cost efficiency

Historic distribution of IT spend

Full-year IT costs avg. 2015-2017



- Share of IT spend for change activities historically higher than peers
- Maintained flat IT run spend since 2015 despite strong increase of transaction volumes
- IT change spend is not capitalised which gives us more flexibility to adjust our IT spend as amortisation is limited

Key levers to increase focus and IT cost efficiency

Demand: Consolidate and focus

- Adopt shared platforms across business lines, geographies and subsidiaries
- Further rationalise IT application landscape based on focussed client value propositions
- Reduce IT investment in non-strategic areas

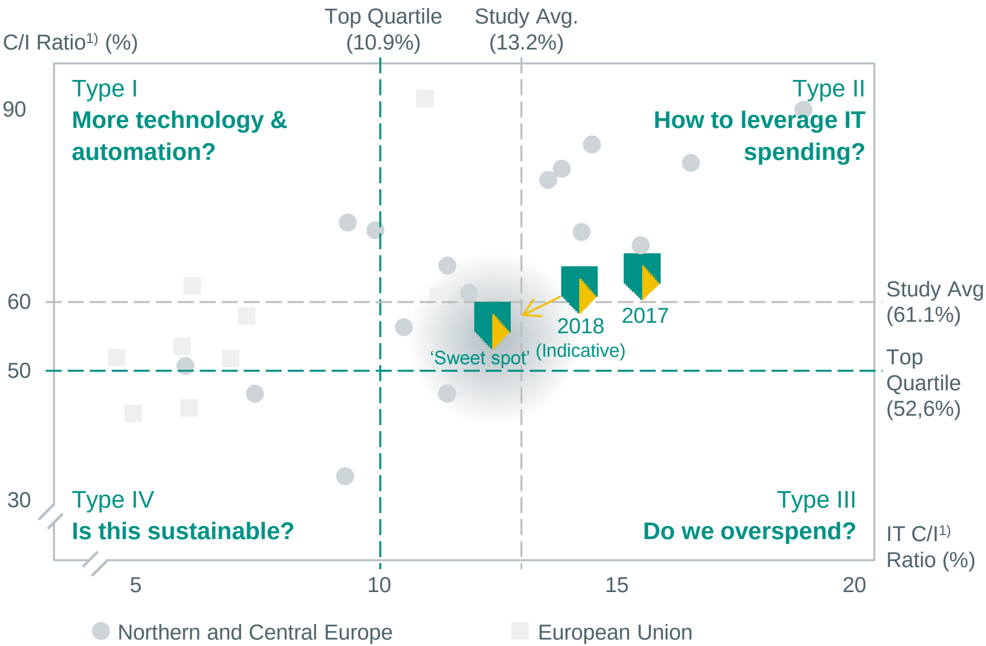
Productivity: Automation and shift to cloud

- From Agile to DevOps with integrated teams and a higher degree of automation
- Continue the shift to a hybrid cloud delivery model for IT applications
- Optimise our off-shore delivery model

Supply: Standardise and right-source

- Standardised technology platforms and tools
- Evolve partnerships to reflect cloud computing
- Consolidate and optimise vendor landscape

Reducing IT spend while remaining fit for the future



Right-sizing the IT spend

- Continuously manage the balance of efficient and sufficient IT investments

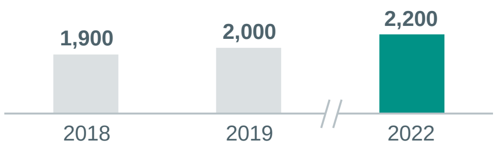
- IT is a critical enabler in decreasing the overall cost/income ratio
- IT spend as share of income will decrease over the coming years
- Decrease is enabled by delivering required capacity for less spend, combined with increased focus
- Clear prioritisation in delivery of regulatory and strategic priorities

1) European IT Benchmarking in Banking (EITBB) 2017. C/I Ratio: operating expenses as a percentage of operating income.
IT C/I Ratio: operating IT expenses as a percentage of operating income

Achieving our ambitions by moving to the sweet spot

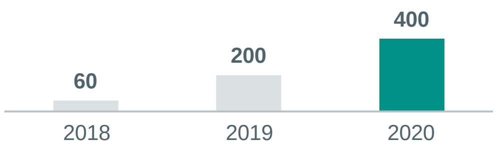
Leading indicators

Reduction in number of applications since 2014 (accumulated)



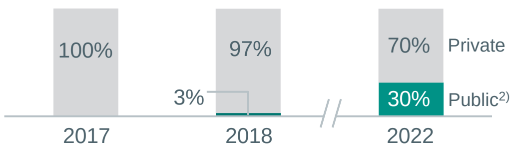
Demand: **Consolidation**

Number of teams with DevOps capabilities



Productivity: **Automation**

Cloud delivery models split (%)



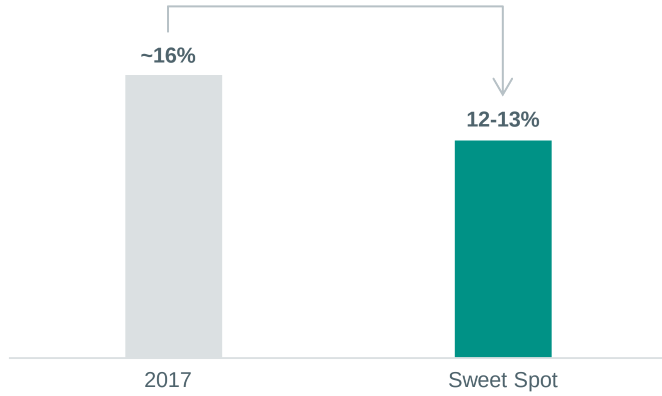
Supply: Cloud delivery model

1) IT C/I Ratio: IT expenses as a percentage of operating income

2) Including SaaS applications

IT C/I Ratio 'sweet spot' of 12-13%

IT C/I Ratio[1)] in %



- Focused effort over several years provides good starting point
- Ambition to hit 'sweet spot' by gradually reducing IT spend as share of operating income
- Next steps in IT rejuvenation will be conducted step-wise through multiple levers

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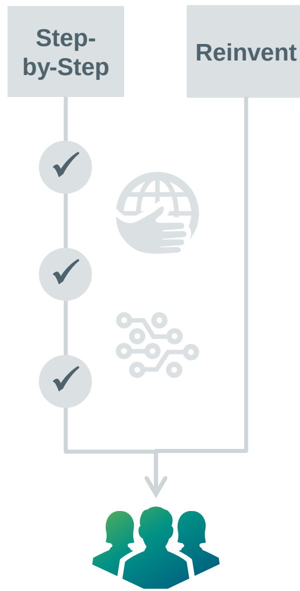
Two parallel approaches to reinvent the customer experience

Extend our strong position step-by-step

- Sharpen value proposition for key client segments, allowing us to reduce complexity
- Reduce client hassle by removing the need for paper and physical signatures
- Decrease processing time and increase conversion rates on key processes
- Further improve client access through digital channels, e.g. video meetings and chatbots
- Establish a proactive dialogue based on predictive data models

Common capabilities (examples)

Online On-boarding	Users & clients	Digital identity
Voice of client & analytics	Video & chat	Track & trace



Reinvented Customer Experience

Create new offerings and experiences

- 'Zoom out' to identify key customer experience points and new business opportunities
- Establish new partnerships both within and outside the financial sector
- Address the threats and opportunities related to Open Banking by providing APIs
- Develop challenger propositions to experiment with brand-neutral offerings
- Engage with regulators to ensure alignment and level playing field in new types of offerings

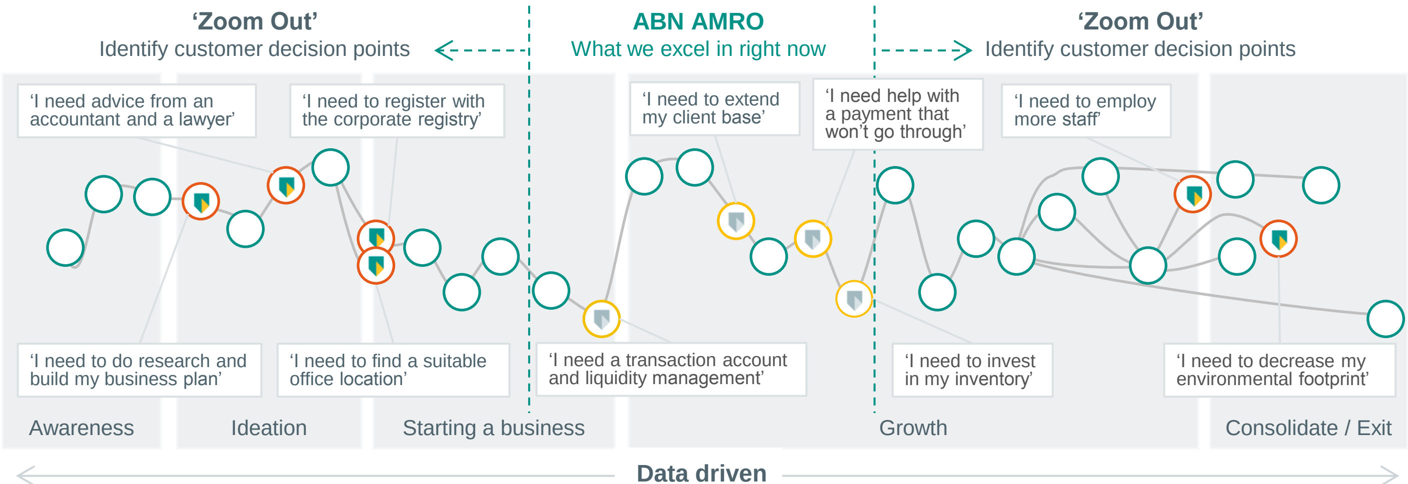
Key focus areas (examples)

Energy transition	Urbanisation & future of work	Ownership, access, usage
Privacy & trust	AI	Block chain

Extending into new client journeys

Realising my entrepreneurial dream[1)]

Customer action · Touchpoint with AAB · Client opportunity AAB



Two-pronged approach

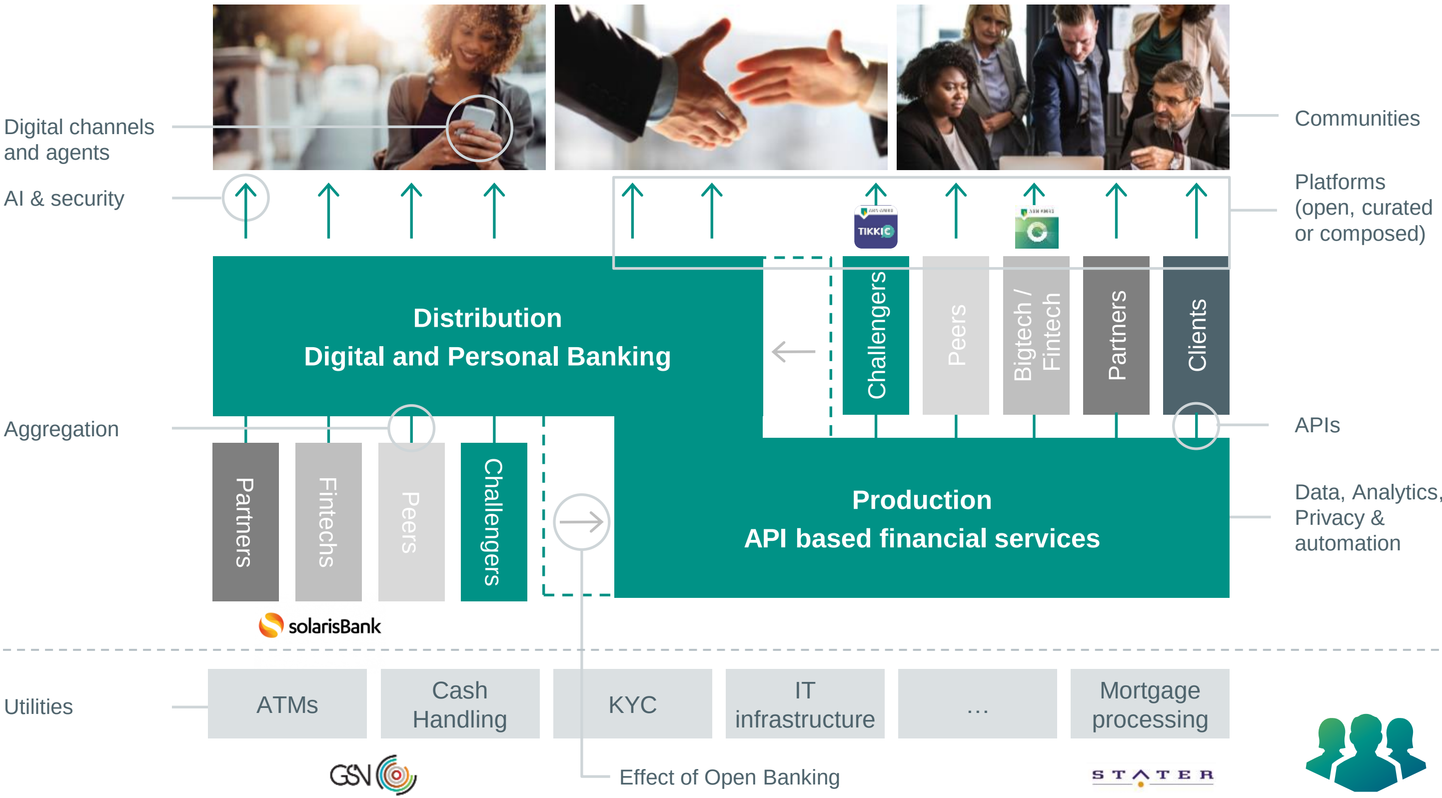
1) Step-by-step approach to extend our position in the areas in which we currently excel
2) Extending into new offerings and experiences

Current initiatives

- Selected set of customer journeys is being mapped with a broad sample of clients within focus segments
- Multiple partnerships being explored to unlock business potential in line with strategic identity

1) Simplified example

Leveraging on partners



Learning by experimenting with challenger banks and impact fund

ABN AMRO challenger banks

future asset management — Prospery

peer-to-peer payment requests — ABN·AMRO TIKKIE

fast and efficient SME lending — new10

FX and multi-currency payments — franx

special purchase loans — Tweadle

trade & commodity finance — komgo

fully digital financial services — moneyou

Complemented by Digital Impact Fund investments

solarisBank, tink, BehavioSec, crosslend, Cloud Lending Solutions, OCKTO

Key learnings

- A new proposition can be built and brought to market in less than a year
- Agile practices combined with DevOps capabilities, cloud technologies and Fintech solutions is highly efficient
- Both proposition and timing need to be right
- Client acquisition is expensive and association with a trusted brand like ABN AMRO is key
- Scale-up of operational processes as well as risk and compliance functions is expensive in a stand-alone setup

Extracting value from challenger banks

- New stand-alone propositions complement or replace part of the ABN AMRO offering
- Scale-up by redeploying solution under the main ABN AMRO brand
- Continuously evolve the challenger set-up to ensure return on investment

We are committed to

- Modernising our IT landscape without large-scale re-platforming; competitive digital offering and solid roadmap in place
- Reducing the IT spend while increasing competitiveness; further simplification of IT landscape and adjustments to delivery model as key levers for efficiency
- Evolving client offerings by reinventing client journeys and further leveraging partnerships

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Safeguarding our moderate risk profile

CRO | Tanja Cuppen

16 November 2018

Refreshed strategy fully aligned to moderate risk profile

We are committed to our moderate risk profile by …

✓ Building long-term relationships with clients in strong economies

✓ Taking risks leading to sound asset quality and strong balance sheet

✓ Being well prepared to anticipate and absorb impact of changes in the economy, regulations and technology

Serving clients in strong economies

Business profile	Retail Banking	Private Banking	Commercial Banking	C&I Banking
Client type	Mass affluent	Individuals, PWM, E&E Institutions & Charities	Small-mid sized companies	Large corporates and Financials
Footprint	Dutch	NW-Europe	Dutch	NW Europe and specific global sectors
Risk profile				
Client lending	156bn	13bn	42bn	44bn
Portfolio granularity	c.5m clients	c.100k clients	c.365k clients	c.3k clients
RWA allocation [1]	26%	9%	24%	36%
Avg. cost of risk since 2015 (IPO)	c.1bps	c.5bps	c.23bps	
TTC cost of risk [1]	5-7bps on domestic mortgages		40-60bps	

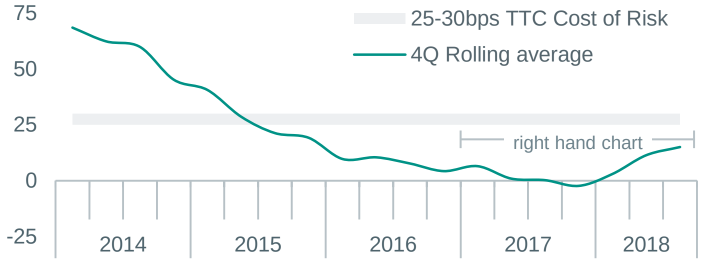
1) Based on 2018 Q3 RWA balances

2) Through-the-cycle ('TTC') cost of risk expressed as impairments over average gross loans (client lending)

Sound asset quality reflected in decline of impairments

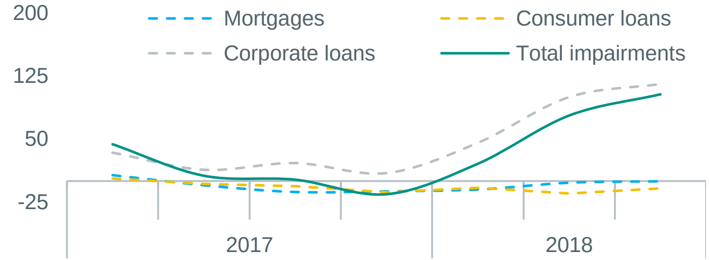
Cost of risk well below TTC level …

Average of 4Q cost of risk (bps)



… mainly driven by corporate loans

Average of 4Q impairments by product (EUR m)



- Sound credit quality loan portfolio reflected in clear and significant cost-of-risk improvement to well below through-the-cycle levels
- Elevated impairments in corporate loan niches (mainly CIB), resulted in implementation of mitigating measures
- Impairments in 2018 reflect mainly IFRS9 stage 3 charges on existing non-performing files

Overall **sound asset quality**, portfolio behaving well, **defaulted portfolio** expected **to decline further**

Impairments sector/file specific, not indicative for rest of loan book




	Part of Corporate & Institutional Banking			Part of Commercial Banking
Sectors [1)]	Natural Resources	TCF (incl. D&J)	GTL (incl. Shipping)	Healthcare
Client lending	▪ EUR 8.5bn	▪ EUR 11.1bn	▪ EUR 10.4bn	▪ EUR 4.9bn (EAD)
Challenged markets	▪ Offshore services ▪ Upstream energy	▪ Diamond & Jewellery ▪ TCF	▪ Offshore Service Vessels ▪ Crude oil tankers ▪ Short sea	▪ Domestic hospitals & cure
Impairments [2)]	▪ EUR 150m, 34% of YTD impairments	▪ EUR 69m, 15% of YTD impairments	▪ EUR 47m, 11% of YTD impairments	▪ EUR 39m, 9% of YTD impairments
Market dynamics	▪ Signs of recovery ▪ Higher oil prices should lead to new contracts	▪ Diamond production shifts to India ▪ Antwerp & Dubai focus more on trading	▪ Recovery seen in dry bulk and containers	▪ Regulatory changes ▪ Overcapacity ▪ Government cost focus impacts client revenues
De-risking	▪ Offshore services ▪ Several exposures sold	▪ Diamond & Jewellery ▪ Dubai & Moscow closure	▪ Offshore Service Vessels ▪ Several exposures sold	▪ Close monitoring ▪ Selective origination
Risk outlook	**Material additional impairments currently not expected, though challenges are expected to remain**			

1) Natural Resources includes Energy, Offshore Services and Basic Materials, Trade & Commodity Finance (TCF) includes EUR 1.1bn Diamond & Jewellery (D&J), Global Transportation & Logistics (GTL) includes Shipping.

2) Impairments year-to-date 2018, expressed as percentage of total reported year-to-date impairments of EUR 447m.

Maintaining a clean and strong balance sheet requires continuous steering

Risk Appetite

Defines exposure limits for

- Countries and industry sectors
- Products and clients

Examples of limits

- CIB Refocus de-risks activities in TCF, Diamond & Jewellery and Offshore energy
- Shipping, incl. offshore, energy labels
- Acquisition & Leveraged Finance (ALF)
- CRE, incl. LTV caps and energy labels

Stress testing

Downturn assessment through

- Stress testing and reverse stress testing
- Portfolio or sector deep dives
- Scenario and sensitivity analyses

Examples

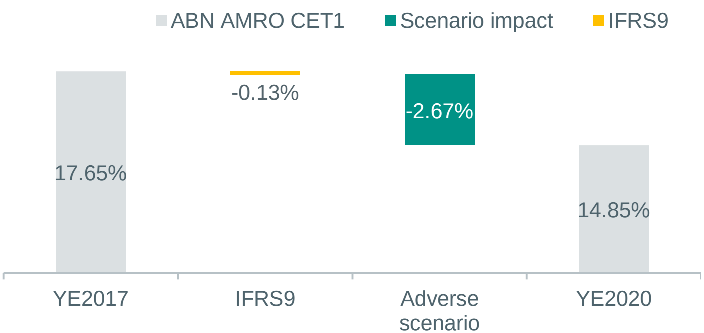
- Internal stress testing on capital & liquidity
- External: EBA stress test
- Oil & Gas scenario
- Shipping scenario
- Commercial Real Estate

Risk appetite setting and **stress testing** are **key** in strengthening **bank resilience**

Moderate risk profile demonstrated by resilience to stress

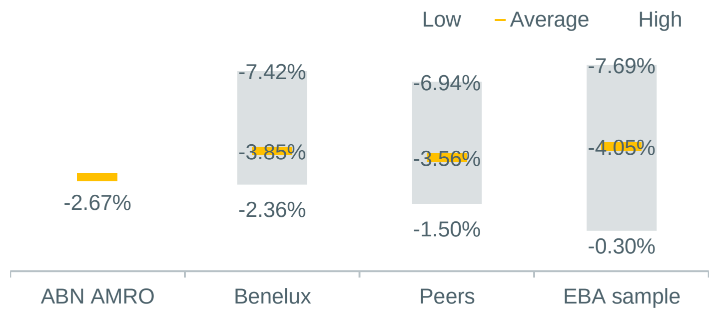
Resilience under EBA stress test

Loss of fully loaded CET1 under adverse scenario vs YE2017 starting point under IFRS9



More resilient than peers

With -2.67% fully loaded CET1 deduction under the adverse stress scenario ABN AMRO scored versus the EBA sample



- Stress test confirms ABN AMRO's resilient capital position: performed well vs. EBA sample
- Adverse stress test scenario resulted in CET1 impact of -2.67% vs. -5.91% in the stress test of 2016
- Stress test does not contain a pass or fail. Under adverse stress the CET1 remained well above the 2018 SREP of 10.425%
- Impact of stress under Basel IV expected to be less significant given binding output floor

1) Source: www.eba.europa.eu

Healthy outlook on credit quality, short-term outlook of below TTC cost of risk

Domestic mortgage loans (150bn)

- Growing share amortising and savings loans, full interest-only declining
- NHG remains popular
- Strong focus on duty of care, full recourse on collateral
- Avg. LtMV: 66%, vs. 82% at YE2012
- LtMV>100%: 3.3% of mortgages, vs. 21.1% at YE2012
- Positive outlook on credit quality in mortgage book

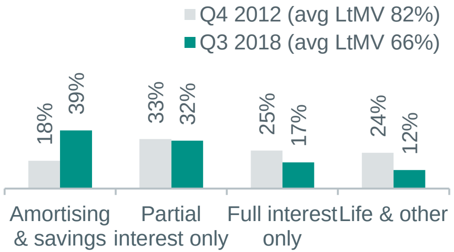
Corporate loans (92bn)

- Mostly NW Europe, more than half in the Netherlands
- Benefit from Dutch economy and positive consumer sentiment
- Large diversified corporates expected to remain less sensitive to shocks
- Limited direct Brexit & trade war exposure, indirect effects possible

Consumer loans (13bn)

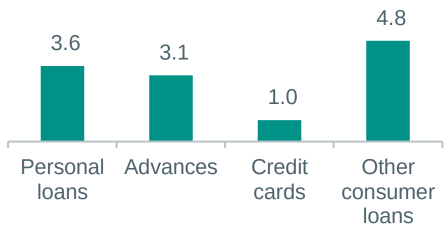
- Granular and stable loan book
- Predominantly Dutch
- Limited exposure to credit cards
- Small average loan size
- Strong duty of care rules
- Low level of impairments
- Good risk/return profile

Strong shift in mortgage portfolio towards amortisation



Historic low Dutch bankruptcy rate (monthly businesses & institutions, CBS)

Consumer loan book well diversified, 3.9% impaired, 50.9% coverage ratio (Q3 2018)



ABN·AMRO

Well prepared to absorb impact of industry-wide regulatory changes

Capital

- Basel IV implementation in EU
- Leverage ratio & MREL
- Model reviews & TRIM

Prospects

- Implementation risks: transition to new models and lack of guidance
- Material RWA impact, reflecting 72.5% output floor
- Aim to be fully loaded compliant early in the phase-in period

Impairments

- IFRS9 replaced IAS39 accounting standard
- Overhaul of impairment methodology

Prospects

- Recognise impairments earlier, in stage 2
- Expected more P&L volatility from stage 2
- No change in incurred loss

Prudential regulation

- NPE guidelines [1)]
- NPE reviews & backstops [2)]
- Definition of Default [3)]

Prospects

- Governance, operating model, NPE targets and implementation in risk framework and recovery planning will need to be developed
- Prepare impact assessment
- Lowers available capital

1) ECB & EBA: Banks with gross NPL ratios of >5% should establish an NPE strategy, effective June 2019. ABN AMRO's gross NPL ratio is well below the 5% threshold
2) ECB: Banks should book maximum level of P&L provisions. If accounting standards do not fulfil prudential provisioning backstop, banks should adjust their CET1 capital
3) EBA aims to harmonise the definition of default, guidelines aim to increase comparability of risk estimates and own funds requirements across banks, effective Jan 2021

Strong focus on non-financial risk in changing world

Cyber risk

- Cyber attacks grow in number, severity and risk: DDoS, phishing, hacking
- New risks arise from digital developments: open banking, PSDII, APIs, electronic contracting, etc.

Activities

- Cyber risk oversight in place and further strengthened
- Continuous investments in security measures, penetration testing
- Close cooperation with suppliers, peers, authorities and law enforcement agencies is key

Conduct & AML

- Key focus area of regulators, society and management
- Financial crime often internationally organised and becoming more sophisticated
- KYC upgrades in implementation

Activities

- Continuous investments in capabilities, (new) systems and people
- Develop public-private partnerships for intelligence and solutions
- Ongoing programmes to enhance client files
- Open dialogue with authorities

Innovation

- Providing financial services in new ways
- Energy transition and financing of clean, circular or new business models
- Social Impact Finance (AASIF)

Activities

- Training to enhance risk identification of new technologies
- Assessments on climate risk and stranded assets
- Define risk appetite for innovative activities

We are committed to safeguarding our moderate risk profile

We are

✓ Building long-term relationships with clients in strong economies

✓ Taking risks leading to sound asset quality and strong balance sheet

✓ Being well prepared to anticipate and absorb the impact of changes in the economy, regulations and technology

Questions

CEO | CI&TO | CRO

09h30 – 09h35	Welcome & programme	Dies Donker (Head of IR)	3
09h35 – 10h00	Banking for better, for generations to come	Kees van Dijkhuizen (CEO)	4
10h00 – 10h25	Accelerate to the future	Christian Bornfeld (CI&TO)	20
10h25 – 10h45	Safeguarding our moderate risk profile	Tanja Cuppen (CRO)	33
10h45 – 11h15	Q&A	CEO, CI&TO, CRO	44
11h15 – 11h40	**Break**		**45**
11h40 – 12h00	Customer experience, our key priority	Frans van der Horst (CEO RB)	46
12h00 – 12h20	Transforming to a more scalable private bank	Pieter van Mierlo (CEO PB)	60
12h20 – 12h40	Q&A	CEOs RB and PB	71
12h40 – 13h25	Lunch		72
13h25 – 13h45	Future proof CIB	Rutger van Nouhuijs (CEO CIB)	73
13h45 – 14h05	Sustainability, a business opportunity	Daphne de Kluis (CEO CB)	85
14h05 – 14h25	Q&A	CEOs CIB, CB	94
14h25 – 14h40	Break		95
14h40 – 15h05	Strong capital generation and return	Clifford Abrahams (CFO)	96
15h05 – 15h25	Q&A	CFO	115
15h25 – 15h30	Wrap up	Kees van Dijkhuizen (CEO)	117

ABN·AMRO

ABN AMRO Investor Day

Customer experience, our key priority

Retail Banking | Frans van der Horst

16 November 2018

We are committed to

Continuing to focus on the customer experience

- Building on proven track record for delivery and addressing short-term revenue pressure
- Delivering differentiating customer experiences by enhancing our core offering and a continued focus on the shift to digital
- Maintaining our forefront position in innovation to increase customer loyalty and monetise our strong customer interface

Client-driven and digital-focused business model

Stable base of 5 million customers

Leading retail bank in the Netherlands

- Primary bank for ~20% of Dutch population
- Strong presence in urban areas

Solid revenue contributor

- Strong position in core products
- Tailored approach to address changing client behaviour

Strong and highly digital customer interface

- > 1 billion annual customer contacts
- > 7 million apps downloaded

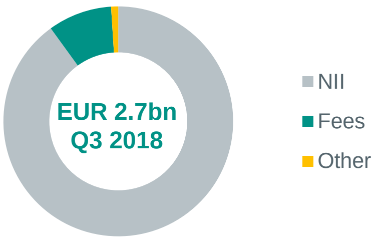
Omni-channel distribution model

- Strong remote advisory capabilities
- Top-class digital offering

Short-term revenue pressure due to continued low interest rates

Revenue model Retail Banking

Relative high dependency on net interest income

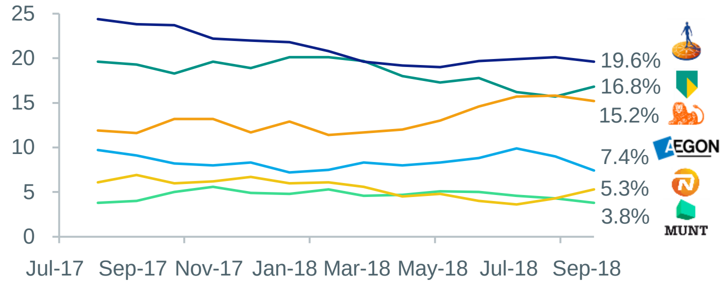


Three products drive majority of revenue base

- Revenues per product, in descending order
  1) Mortgages
  2) Savings
  3) Lending
  4) Payments
  5) Investments
  6) Insurances

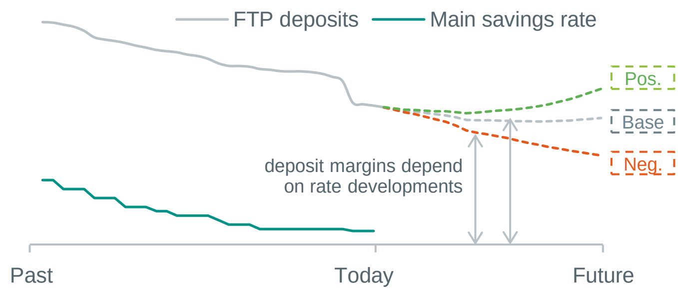
Current developments

Fierce price competition pressures market share ABN AMRO



Source: Land registry

Main deposit rate at 3bps, little or no room to lower further



Focus on customer experience to address revenue pressure

Client-oriented offering

- Expanding our involvement in broader ecosystems and client journeys outside our own
- Aligning core offering with changed client behaviour and expectations to strengthen revenue base
  - off-balance models in mortgages
  - optimising funnel management in consumer lending
  - enhancing insurance and investment offerings to drive fees

Digital first

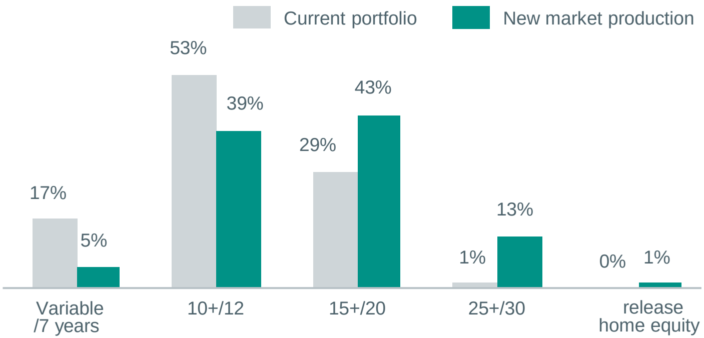
- Continued focus on digital first to improve customer experience and drive efficiency
  - digitising all relevant core processes and customer journeys and assisting our clients' shift to digital
  - leveraging next generation tooling like video banking to get closer to our clients and increase flexibility

Valuable customer interface

- Leveraging relevant customer touchpoints to strengthen engagement and develop new sources of income
  - driving customer relevancy and loyalty
  - expanding presence in our clients' context post PSD2
  - exploring different roles and revenue models

Address changing client behaviour in mortgages

Adapting to changed client behaviour in mortgages



Introducing off-balance options

- Longer-term mortgages capture increasing share of the market
- Initiate intermediation model (off-balance production) in markets we currently do not serve; e.g. 25/30 years market
- Increase revenues by meeting client preference shift towards 30 year fixed interest rate periods

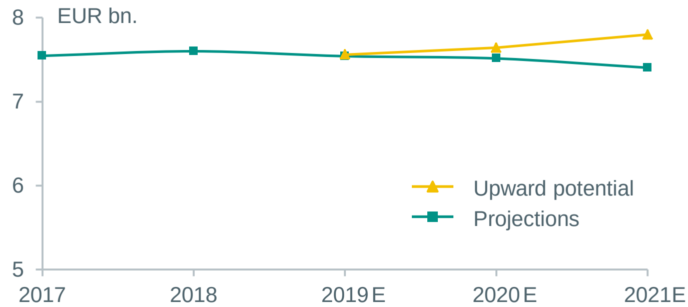
Tailoring our approach

Align our offering and distribution approach with client expectations and behaviour

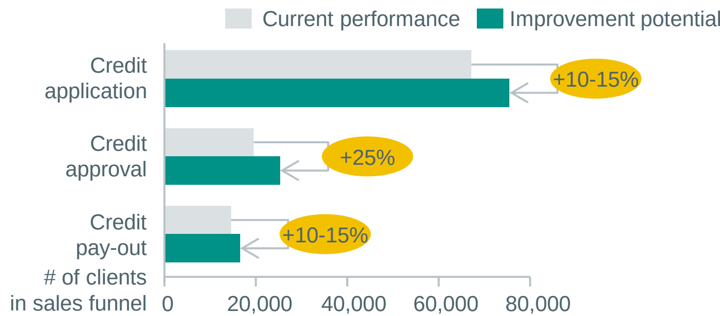
- Highly digital service model (e.g. video banking)
- Introducing instant offering and pre-offering
- Target specific niches (e.g. self-employed, 56+) with adjusted product conditions
- Prevent ‘leavers’ with advanced analytics (e.g. predictive analysis)

Improving consumer lending journey

Consumer lending portfolio[1)]



Improvement potential through funnel optimisation



Multiple drivers underlying decline in portfolio volume

- Favourable economic conditions reduce clients' need for consumer lending
- Low interest rate environment encourages redemption of loans
- Proactively approaching customers with interest-only credits from a duty of care perspective

Reduce leakage in each step of personal loan funnel

- Enhance digital process flow in personal loans
- Offer easier access to human assistance and advice

Tailored approach to target interesting niches

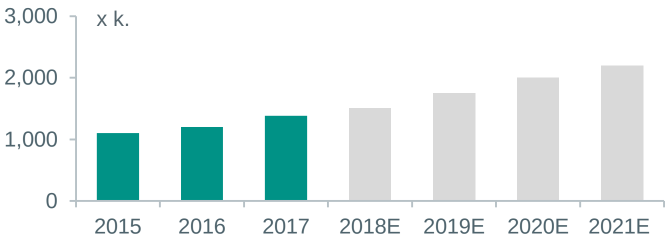
- Enhanced offering for 'buy-to-let' market and 'Medical professions' segment

1) Excluding consumer lending portfolio Private Banking

Growing fee income through investments and insurances

Investments: targeting 30,000 new customers in 2019

- Number of investing households expected to continue to grow to over 2 million investing households by 2021



Source: Kantar – TNS Retail Investor

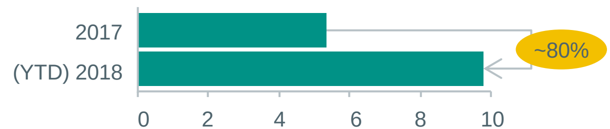
- Activate existing customer base by pro-actively providing insights on relevant themes through launching 'theme investing' app
- Attract new investing customers through
  - Enhanced offering and more competitive pricing of 'execution only' proposition
  - Launch new investment app – leveraging Prospery architecture – targeting younger customers and prospects to start investing at a low threshold

Insurances: increasing level of penetration

- Current level of penetration emphasises growth potential

- Enhancing complete insurance assortment to realise seamless journeys in line with client expectations
  - Improving digital request funnels car insurance and liability insurance
  - Integrating home-related insurances in mortgage sales processes
  - Expanding distribution strategy for term life insurances with intermediary channel
- Initial focus on car insurances, with already promising results

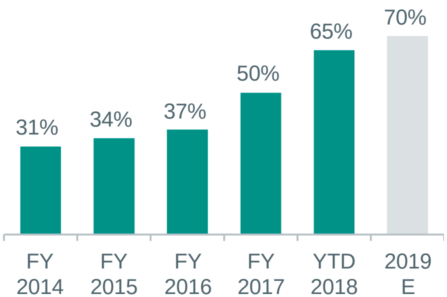
Premium inflow car insurances (in m.)



Continued focus on digital first to improve customer experience and drive efficiency

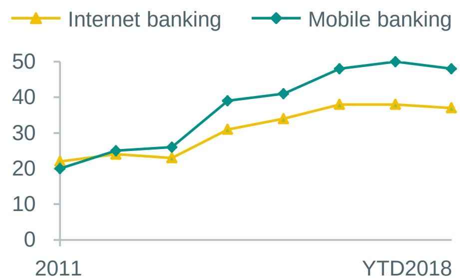
Share of digital continues to rise

% of digital in sales and services



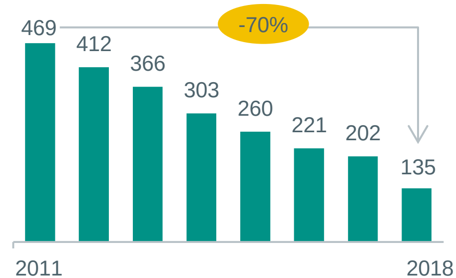
High level of customer satisfaction

% of 9+ experience digital channels



Consolidation of branch network

# of branches



Success of digital strategy emphasised by several use cases

- Frontrunner in Video banking ('Beeldbankieren')
  - Reduces necessity for a geographical footprint
  - Clients value remote contact even higher than face-to-face contact
- Continued focus on digitising our core, resulting in most advanced mobile banking app in the Netherlands
- Redesign branches to assist-to-digital
- Leveraging next generation tooling (e.g. chatbot, speech analytics) for better and more efficient client interactions

Increase loyalty and relevance

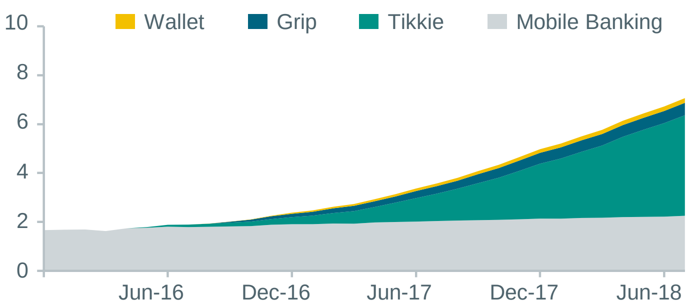
Contactless payment with watch or ring

Overview and insight into income and expenditure

Peer-to-peer payments

Unique lending opportunities with Tweadle

Resulting in strong growth of our mobile footprint



- Multiple apps in place rather than one app with too many functionalities as part of our constellation strategy
- > 7 million apps downloaded
- 63% of Tikkie users are non ABN AMRO clients
- Grip substantial growth potential after multi-bank aggregation

Generating insight, creating pro-active customer interactions

06:30
Check personalized daily financial insight

08:25
Pick-up coffee on way to work

08:45
Check updates in 'theme investment app'

12.30
Having lunch with colleagues, send payment request to settle bill

12.45
Notification – salary has been received

17.30
Time for groceries, skip the line, checkout with Tikkie

17.30
Alert: exceeded weekly budget for groceries

22.45
Check spend analysis, adjust weekly budgets and saving targets

Combination of above apps offers unique position

- Combining data from different apps to truly understand our clients
- Aggregation (multi-banking) to further increase value and functionalities

Multiple possible models to monetise value

- Search for strategic partnerships with corporates
- Smart connecting of data and insights across apps
- Explore different revenue models (e.g. kick-back revenue models)

Well positioned to explore platform-oriented revenue models

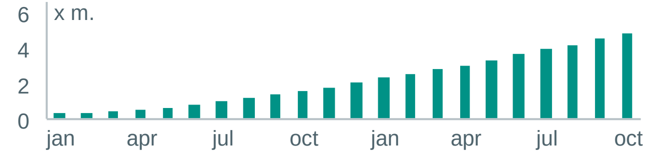
Well positioned to explore different roles and models

- API Developer platform to explore opportunities & connect with developers, Beyond Banking Days to identify concepts
- Expand our role and become involved in broader ecosystems and customer journeys
- Combining service with partners to deliver a broad value proposition
- Multiple capabilities and solutions in place that can be leveraged through APIs
  - **Tikkie** has potential as a B2B2C payments solution, multiple third-party solutions being developed and validated
  - **Tweadle** has future potential as lending API to distribute capabilities to strategic suppliers
  - **Grip** has potential in digitalising our advisory capabilities

Tikkie's success proves platform potential

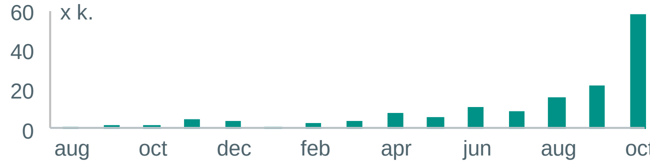
Introduced as an innovative person-2-person payment solution Tikkie has attracted a strong user base

Close to 5m users and still growing by 250k users a month



Expanding product suite with business solution to attach businesses to Tikkie and generate transaction based fees

Strong growth in number of fee-generating Tikkies



With a growing base of users and businesses, Tikkie is well positioned to explore platform-based revenue models (e.g. monetise interactions between merchants and consumers)

We are committed to

Continuing to focus on the customer experience

- Building on proven track record for delivery and addressing short-term revenue pressure
- Delivering differentiating customer experiences by enhancing our core offering and a continued focus on the shift to digital
- Maintaining our forefront position in innovation to increase customer loyalty and monetise our strong customer interface

ABN·AMRO

ABN AMRO Investor Day

Transforming to a more scalable private bank

Private Banking | Pieter van Mierlo

16 November 2018

We are committed to

Transforming to a more scalable private bank

- Continue to focus on North West Europe, pursuing organic and inorganic growth
- Further harmonise and digitise, achieving a C/I ratio <70% by 2021
- Offer our clients sustainable investments as a standard

A leading cross-border private bank in NW Europe

Servicing
EUR 195bn
client assets
(Q3 2018)

Market leader in the Netherlands with strong positions abroad

Netherlands #1 Germany #3 France #5 Belgium #8 Guernsey

Focus on onshore NW Europe

- Acquisitions in Belgium (2018) and Germany (2011 & 2014)
- Market consolidation offers additional growth opportunities

Unique combination of competitive advantages

- Sustainability as a standard
- Personal and digital service delivery
- Open architecture product offering

Resilient income, low capital consumption

- Strong contributor to group: 23% ROE (YTD)
- Source of funding: EUR 66.7bn client deposits (YTD)

Transforming to become a more scalable Private Bank

Market profitability under pressure

- Regulatory pressure persists, including MiFID II, KYC
- Resulting processes and transparency requirements put pressure on margins
- Changing client expectations of digital requires significant investments

Scale to remain competitive

- Dutch activities (EUR 114bn client assets) highly efficient, due to scale
- Other locations working on reducing C/I ratio, by harmonising and digitising
- Well on track to reach a sustainable C/I ratio <70% by 2021
- Leverage on cross-border scale a necessity

Focus on onshore NW Europe

- Building on our focused footprint, creating significant cross-border scale
- Divested non-core units, latest Asia & Dubai (2017) and Luxembourg (2018)
- Acquisitions in Belgium (2018) and Germany (2011 & 2014)

ABN·AMRO MeesPierson
The Netherlands – EUR 114bn [1)]

Bethmann Bank ABN AMRO
Germany – EUR 38bn

Neuflize OBC ABN AMRO
France – EUR 30bn

ABN·AMRO Private Banking
Belgium – EUR 12bn [2)]

ABN·AMRO Private Banking
Channel Islands – EUR 8bn

1) Client assets, YTD 2018

2) Including announced acquisition in Belgium (2018)

Announced acquisition Société Générale PB in Belgium

Good add-on to existing portfolio

- Further build on strong proposition in Belgium
- Belgium market highly attractive (est. 4% client assets growth), with highest share of millionaires in EU
- Opportunity to increase scale, doubling client assets to EUR 12bn
- Complementary footprint, similar products and segments, resulting in considerable synergy potential
- Closing expected in Q1 2019

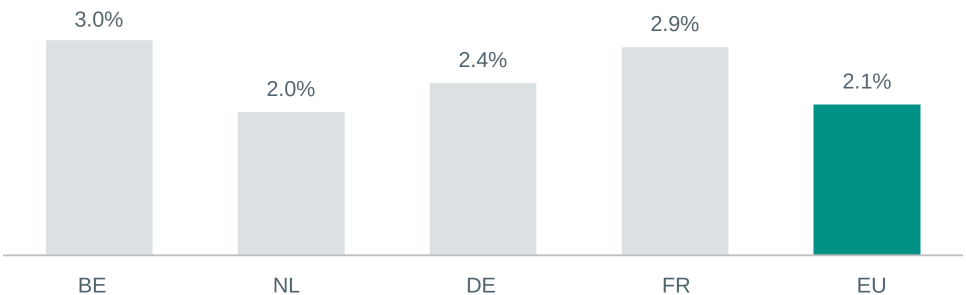
In line with a clear PB M&A strategy

✓ Selective bolt-on acquisitions in NW Europe, aiming to leverage our proposition

✓ Focus on onshore clients

✓ Harmonised service propositions and platforms and standardised processes to drive cross-country scale

Millionaires as percentage of population (2017) 1)



6bn → 12bn

Announced acquisition will double client assets in Belgium

1) Source: Worldbank

Sustainable investments is the new standard

More demand for sustainable

- Increasing demand from next generation
- >30% of existing clients already own sustainable investments (2017)
- In NL 80% of new clients opt for sustainable, other countries to follow
- Shift also offered to existing clients

Clear investment strategy

- Up to 50% less CO_2 emission vs benchmark [1)]
- Strict exclusions and positive selections based on ESG criteria
- Engagement with companies to discuss UN Global Compact breaches
- Leveraging open architecture model to provide the best sustainable products

Expertise to support clients

- Partnership with University of Oxford
- Funding chairs at Dutch universities
- 650 staff (23%) certified in the UN's PRI (Principles for Responsible Investment)

8bn → **16bn**

Doubling sustainable client assets (start 2017-2020)

→ Currently at **EUR 13bn**

1) On sustainable discretionary model portfolios

Reinventing the customer experience

Segment propositions to optimise added value

- Segments redefined based on client's wealth, source of wealth and stage of life - implemented in NL, to be rolled out in other locations
- Development of dedicated value propositions per segment: offering matches client needs
- Cross-border focus segments first in line for investments

Taking customer experience into the digital age

- Client expectations of digital are changing, with remote banking as a key factor to serve the next generation
- Combine offline and online and realise seamless client interaction at every touchpoint
- Ambition to have almost 100% of our clients using our online solutions

81% NL 56% DE 42% FR

Clients using online solutions
(August 2018)

Building a future-proof private bank

Harmonise IT infrastructure

- From different systems in each location to a shared platform of systems: core banking, CRM, portfolio management
- Belgium first-mover to new core banking platform in Q1 2019

Speed up digitisation

- From inefficient and manual processes to automated and simplified processes
- All eligible processes digitised by 2020
- One of the drivers for reduction in FTEs

One rationalised product offering

- From very large product ranges in each country to one product menu card
- Each location with the same products, based on cross-country client needs
- Investments menu card defined, other product groups to follow

5 → 2

One platform in NL together with Retail Banking, one shared platform in all other locations (2017-2021)

22%

Expected total FTE reduction 2016-2021[1)]

1

One cross-border product menu card by 2020

1) Achieved a reduction from 3,122 to 2,828 FTEs from 2016 to 2018 YTD (excl. PB Asia and Luxembourg)

Further improve costs and efficiency with the transformation

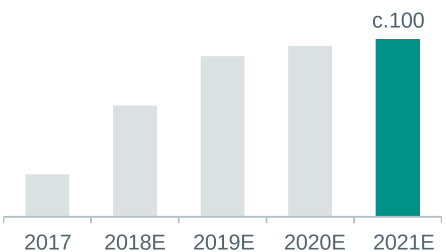
Transformation resulting in lower costs

- Well on track with the transformation
- Transformation investments total c. EUR 130m 2017–2021, funded by realised savings
- Large part investments used for harmonised IT platform
- Cumulative cost savings to increase to c. EUR 100m as of 2021 [1], mainly reflecting lower staff and IT costs

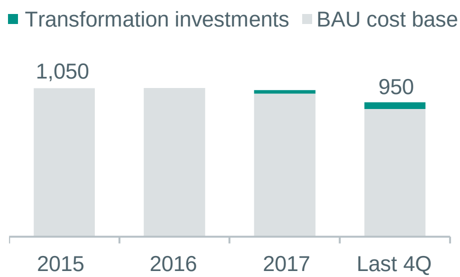
Well on track to reach a sustainable C/I ratio

- On the back of the transformation, we expect to reach a sustainable C/I ratio <70% by 2021
- Taking into account continued investments in digital, innovation and growth

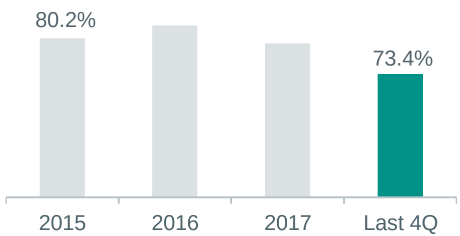
Cumulative cost savings EUR m [1]



Operating expenses EUR m [2]



Cost/ income ratio [2]



1) Savings compared to the cost basis in 2016

2) Excluding publically disclosed incidentals

And focus on future profitable growth

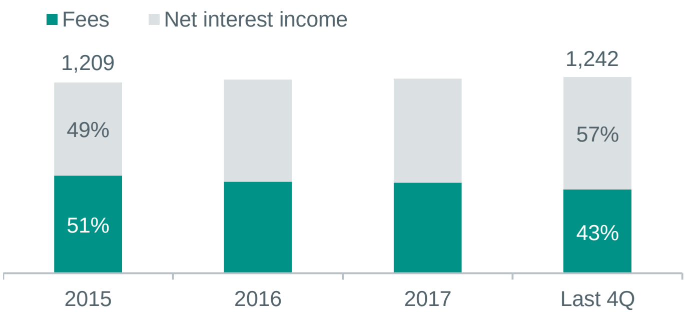
Moderate historic revenue performance

- Up to 2019 a moderate performance, mainly reflecting the focus on transformation, MiFID II and KYC
- Revenues influenced by large cash component in client assets, more self directed and new regulations (margin pressure)

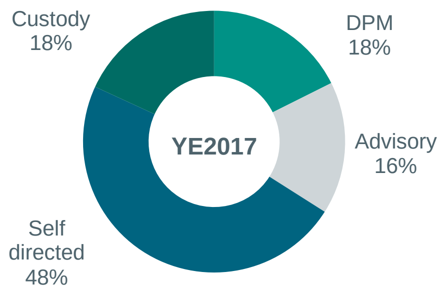
Focus on growth going forward

- More commercial time for clients/prospects to increase NNA
- Increase volume in discretionary and advisory mandates to improve fee income
- Increase of lending penetration
- Continue to explore bolt-on acquisition opportunities

Fees and net interest income development EUR m



Client assets per product group



34%

Share of cash in client assets

We are committed to

Transforming to a more scalable private bank

- Continue to focus on North West Europe, pursuing organic and inorganic growth
- Further harmonise and digitise, achieving a C/I ratio <70% by 2021
- Offer our clients sustainable investments as a standard

Questions

CEOs Retail & Private Banking

ABN·AMRO

ABN AMRO Investor Day

Future proof CIB

Corporate & Institutional Banking | Rutger van Nouhuijs

16 November 2018

Key takeaways

We are committed to:

- Sustainable relationships with multi-product clients in attractive sectors
- Reducing RWA, lowering costs, and strict discipline in capital allocation
- Delivering >10% ROE targets in 2021 under Basel III and transforming in preparation for Basel IV

CIB's franchises are rooted in the open nature of the Dutch economy

	Scope	Market position
Business units	**Corporates NL[1)]**	▪ Sector-based relationship bank ▪ Strong domestic franchise (top 2 NL) ▪ Leveraging NL franchise in 4 selected NW European countries
	Global Sectors	▪ Sector expertise combined with a strong global network ▪ Globally leading in TCF[1)] and Transportation ▪ Focused Natural Resources sector
Product units	**Structured Finance & Portfolio Mgt[3)]**	▪ Lending & capital allocation
	Global Markets (GM)[1)]	▪ Sector focused out of NL & US
	Private Equity (PE)	▪ Strong Dutch mid-market fund
	Clearing	▪ Top 3 global position in clearing ▪ Connected to >150 exchanges

Key figures CIB (Q3 2018)

Client lending	EUR 43.8bn	Clients	c. 3k	Countries	15 [2)]
NPS	43	FTEs	2,546	Geographies	Europe, APAC, Americas

1) Corporates NL includes NW European clients and Financial Institutions, TCF includes Diamond & Jewellery Clients, GM excluding Clearing
2) Including Moscow and Dubai offices
3) All Lending revenue and expenses are allocated to the sectors in the business units

CIB's business model built on multi-product clients

Examples of typical sustainable relationships with multi-product clients

Dutch mid-size industries
Corporate NL clients

Loan product — ROE 13%

- Syndicated RCF

Operating income

- Cash Management
- Transaction Services
- Guarantees
- FX
- Derivatives
- Markets
- Lease
- Corporate Finance

European Utilities
NW European clients

Loan product — ROE 17%

- Syndicated RCF
- Project Finance

Operating income

- DCM
- Corporate Finance
- Markets
- Cash Management

International commodities trading
Global Sectors TCF clients

Loan products — ROE 14%

- Syndicated RCF
- Trade Facilities

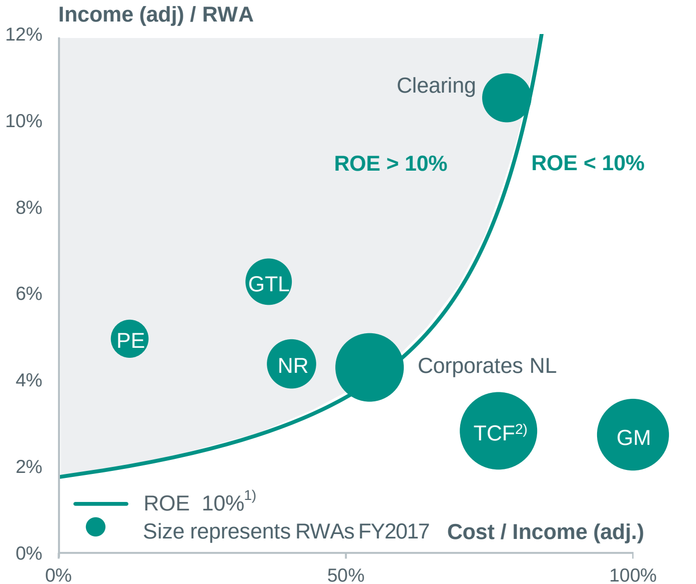
Operating income

- Cash Management
- Transaction Services
- Guarantees
- Corporate Finance
- Markets
- Clearing

Most businesses deliver returns through the cycle, some are lagging

Most CIB sectors deliver >10% ROE TTC impairments[1)]

Operating Income adjusted for TTC impairments FY2017



1) ROE on basis of Basel III RWA and CET1 target of 13.5%. TTC = through-the-cycle
2) Including D&JC

Above hurdle returns made on core clients

Corporates NL sector serving mainly core clients

- Mid-cap corporates where we have a broad relationship
- Over 85% of clients are multi-product / service
- ROE > 10%, helped by capital light fee income

Global sectors show mixed picture, one lagging sector TTC

- Increasing level of multi-product clients, currently 50%
- Asset-based lending, Basel IV vulnerable
- TCF has high operational cost and a long tail of non-accretive clients

Product units support the sectors

- Global Markets is de-risking, client-driven, high cost base
- Clearing is a generator of stable returns
- Continued involvement in PE as cornerstone investor

Improve capital & cost efficiency, to deliver >10% ROE by 2021

	Reduce capital	Lower costs	Transform business model
Measures	▪ Reduce non-core and cyclical clients ▪ Impacts TCF, offshore, shipping ▪ Focus GM's products and clients[1)]	▪ Address low-return clients ▪ FTE reduction & IT rationalisation ▪ Right-size geographies & support	▪ Capital efficient, focus on distribution ▪ Focus on high share of wallet clients ▪ Develop further sustainability franchise
Objective	▪ **Net RWA reduction EUR 5bn[1)]** revenue impact c. EUR 100m	▪ **EUR 80m cost reduction** c.250 FTE reduction, restructuring cost: c. EUR 50m [2)]	▪ **CIB ROE >10%** by 2021[3)]
Progress	▪ On track, reduced EUR 1.5bn[1)] net RWA ▪ Identified non-accretive clients and developing client action plans	▪ GM 40 FTEs reduction ▪ Closed GM in NOR and Brazil ▪ Closing Dubai & Moscow ▪ Restructuring provision EUR 36m	▪ Organisation restructuring ▪ Energy transition plan ▪ Excluded F&G labelled vessels

1) RWA EUR 5bn reduction (equals CET1 c. 0.9%) compared to Q1 2018, from around EUR 39bn to around EUR 34bn to be achieved by 2020, assuming static risk weighting, i.e. excluding possible impact of TRIM or credit quality migrations.

2) EUR 27m restructuring costs were booked in Q3 2018

3) Under Basel III RWAs and a CET1 target of 13.5%

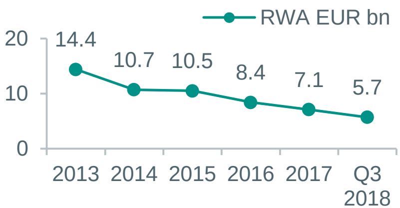
TCF: raising ROE to >10% by 2021

	Reduce capital	Lower costs	Transform business model
Measures	▪ Reduce non-accretive clients ▪ Increase ownership based lending ▪ D&JC: de-risking and exit Dubai, US ▪ Increase share of wallet in core clients ▪ Zero-loss mentality	▪ Reduce FTEs in line with client reductions ▪ Simplify end-to-end processes ('lean') ▪ Centralise support activities ▪ Closure of Dubai and Moscow offices	▪ Digitise paper based processes and improve customer experience ▪ Invest in block chain trade-finance platforms
Objective	▪ **RWA reduction of EUR 3.5bn[1)]** Increase income / RWA	▪ **Direct cost reduction of 15-20%**	▪ **Reinvent Customer Experience**
Progress	▪ Identified non-accretive clients ▪ Capital reduction on track, EUR 1.3bn RWA[2)] ▪ Developing client action plans ▪ Normalising level of provisions	▪ Staff reduction of 20 FTEs ▪ Centralised Dutch support activities ▪ Implementing lean improvements	komgo

1) Including D&JC
2) Compared to Q1 2018

GM: focusing and contribute to CIB's >10% ROE by 2021

	Reduce capital	Lower costs	Transform business model
Measures	▪ Reduce RWA ▪ Product offering trimmed in Fixed Income	▪ Simplify setup by focussing on Corps and FIs in N/W Europe ▪ Reduce FTEs ▪ Reduce locations to Europe (AMS, LDN, FFT, PAR) and US only ▪ Drive out (in)direct costs by rationalising IT systems and data-provider usage	▪ Increase share of wallet through multi-product clients ▪ Increase digital product offering and use of data, AI ▪ Transforming financial markets product distribution through delivering and end-to-end digital experience for our clients
Objective	▪ **RWA reduction EUR 1.5bn[1)]**	▪ **Cost reduction of 10-15%**	▪ **Reinvent Customer Experience**
Progress	▪ Reduction on track, EUR 0.8bn RWA[1)]	▪ 40 FTE Reduction ▪ Stopped GM in NOR and Brazil ▪ Finalisation of SME legacy files Q1 2019	franx



1) Compared to Q1 2018, EUR 6.5bn

Transforming CIB's business model to increase capital efficiency

Focus on multi-product clients

Improve cross-sell and lending efficiency

- Stepping up in relationship tiering by increasing underwrites to facilitate cross-sell
- Minimum of two cross-sell products per client
- Scale backs of product offerings affected by Basel IV

Strict capital discipline

Maximise capital efficiency

- Central portfolio management steers RWA under Basel III and Basel IV
- Disciplined capital allocation for new and existing transactions under BIII and BIV
- Progressive pricing during phase-in of Basel IV

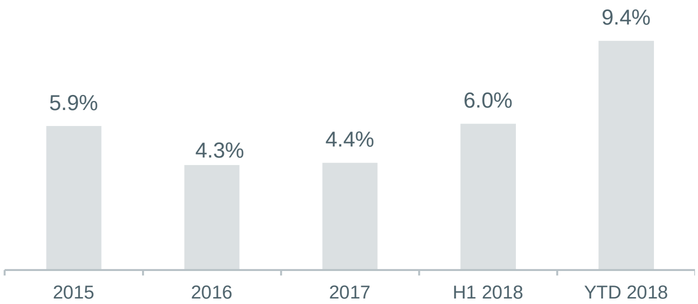
Increase capital velocity

Increase fee income through distribution

- More investor-centric origination approach to increase asset turnover
- Invest in origination and distribution to support distribution efforts
- Very substantially increase the current 3-5% risk distribution of the loan portfolio

Transformed business model to drive returns >10% under Basel IV

CIB to deliver >10% ROE by 2021[1] under BIII



- CIB's ROE has been impacted by cyclicality, Private Equity and incidentals
- Path to 10% ROE (Basel III) driven by reducing capital to non-accretive and cyclical clients
- RWA reduction overlaps with Basel IV vulnerable areas

Driving capital efficiency >10% ROE under Basel IV

- Implement BIV mitigating actions
- Transformed CIB business model is ready to drive capital efficiency under Basel IV
  - Steer capital allocation to least affected products and sectors
  - Higher capital velocity and increase fee income
  - Balancing timely implementation of BIV versus optimising performance under BIII
- Vast majority of CIB's book churns before 2022, which gives the opportunity to steer portfolio over time
  - Enforce progressive repricing as of 2019

1) Under Basel III RWAs and a CET1 target of 13.5%
2) RWA reduction of EUR 5bn vs. Q1 2018

Key takeaways

We are committed to:

- Sustainable relationships with multi-product clients in attractive sectors
- Reducing RWA, lowering costs, and strict discipline in capital allocation
- Delivering >10% ROE targets in 2021 under Basel III and transforming in preparation for Basel IV

ABN·AMRO

ABN AMRO Investor Day

Sustainability, a business opportunity

Commercial Banking | Daphne de Kluis

16 November 2018

We are committed to

Pursuing sustainability as a business opportunity

- Service the Dutch SME market guided by client intimacy where it matters and efficiency everywhere else
- Drive the sustainable agenda to accelerate the sustainability shift, which contributes to society and our financial performance
- Grow our top line profitably and manage costs effectively

Leading bank in the Dutch market through client intimacy and efficiency

Stable base of 365k clients

Leading SME bank in the Netherlands

Primary bank for c.25% of Dutch enterprises

Selective ABF presence in UK, GE and FR[1)]

Sector focus and digital for basic needs

Clear sector knowledge, a differentiator in NL

Aim to serve clients' basic needs digitally

Innovative value propositions

- new10 — The new standard in online borrowing
- franx — Smart global trading with one multi-currency account
- TIKKIE — A new payment variant between enterprise and consumer

Solid contributor to group

c.20% of gross income, strong ROE 15.3% (YTD)

Client lending EUR 42bn, client deposits EUR 45bn (YTD)

1) Asset Based Finance in United Kingdom, Germany and France

Sustainability as a growth opportunity, responding to market & client needs

Rationale

- Major shift towards sustainability in NL
- A 'pull' in the market for sustainable & circular solutions/deals [1,2]
- Currently 52% of clients engaged in sustainability, 25% already active [1]
- Large growth opportunity, estimated market potential for SMEs in NL [3]
  - Energy transition: EUR 14bn (2019-2030)
  - Circular transition: EUR 7bn (yearly)
- Risk profile of clients engaged in sustainability is better

Key levers

- Engagement strategy by pro-actively approaching all clients to facilitate their transition
- Knowledge & experience of sector, products and technology
- Develop innovative financial products & solutions also with partners
- Stimulate knowledge sharing through platforms and education

Targets

- Energy transition: real estate portfolio to obtain an average label A score by 2030
- Circular transition: finance 100 circular deals, total EUR 1bn by 2020

1) GFK, 2 November 2018; Sustainability, a research on sustainable entrepreneurship

2) For 80% of clients sustainability is an agenda topic

3) Sources: Energy - Dutch Government report regarding the Climate Agreement / Circular - Analysis based on data of the Dutch Central Bureau for Statistics

New business propositions will lead to additional sources of income

	Energy Transition	Circular Transition
Description	▪ Transition to reduce CO_2 emissions ▪ Real estate is responsible for 40% of total carbon emission	▪ Declining natural resources & sharing economy lead to the transformation from linear to circular economy
Examples[1)]	▪ Vibers: natural material to replace plastic ▪ Debt and equity raising for Dutch wind farm	▪ 'Product-as-a-service': pay for usage instead of ownership ▪ HOMIE: washing machines – pay per use ▪ 'Light as a service' with smart LEDs
Opportunities	▪ Give clients insight into label by using the Sustainable Investment Tool ▪ Support clients to improve and find financial solutions, a clear business opportunity ▪ Help make real estate more energy efficient (beyond Mission 2030)	▪ Build a 'materials bank' to manage the material flow ▪ Facilitate trade for re-usable materials and products

1) Examples where ABN AMRO advised or provided financial solutions

Leveraging on partners is key in achieving our sustainability goals

Partnerships are essential to service clients

- To respond to client needs, improve client intimacy and strengthen stickiness
- Engage in partnerships to leverage innovative capabilities in sustainability, e.g. with Ecochain
- Provide a platform to offer clients a range of own/partner services in order to do business easily, e.g. opportunity network
- Will generate more fee business and enable us to offer new, innovative products & services
- Help to accelerate and offer us introduction into new markets, e.g. value added /beyond banking services

Examples

Shift in energy transition

- CO_2 emission scans to provide clients insight into savings potential and where to invest effectively

EcoChain

Build eco-systems

- Create ecosystems to accelerate projects and cooperation within sustainability

SOCIAL FINANCE NL

Access to platforms

- Support enterprises in doing business easily by providing access to platforms via ABN AMRO

opportunity network

Clear profitable growth supported by sustainable revenues

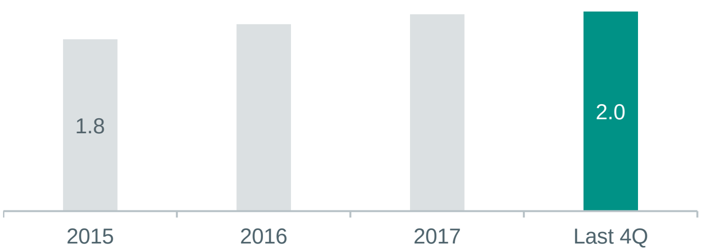
Track record

- Good income growth reflecting higher volumes driven by more client demand
- Despite competitive market, margins remained resilient
- Client intimacy based on sector & product expertise

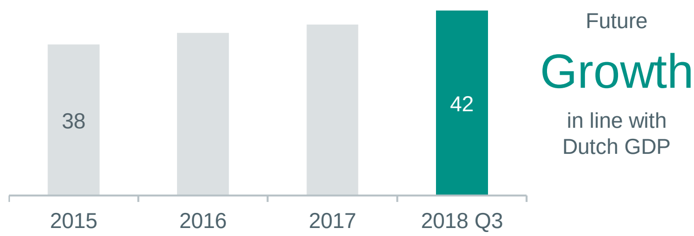
Future growth

- Future (loan) growth in line with Dutch GDP
- Maintain profitable growth and steer revenue mix
- Broaden the source of income, increasing fees, e.g. with new sustainability initiatives
- Provide services in a more sustainable way
- Increase touchpoints in customer journeys

Operating income, EUR bn



Client lending, EUR bn



Good progress in improving costs and efficiency

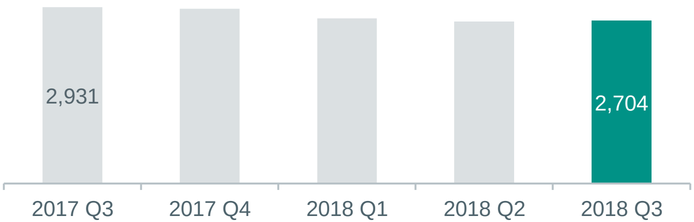
Realised by several drivers

- Introduction of new management structure early 2017 leading to delayering and improved span of control
- Merger Lease and Factoring proposition into single Asset Based Financing organisation
- Introduction of sector-based approach (e.g. resulting in centralisation of activities such as support)
- More efficient way of working (a.o. COO organisation adopted Agile way of working)
- FTE 8% lower vs. Q3 2017, expected to decrease further

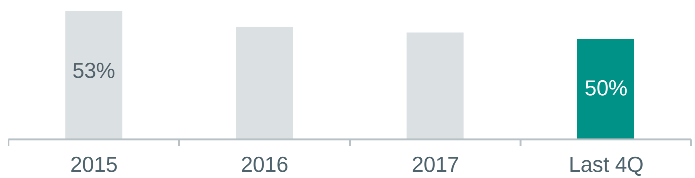
Future levers to lower costs

- Rationalise product offering (in all categories) by c.50% in 2020
- Develop simple solutions, optimise processes and documentation to improve efficiency
- Continue exploring alternative business models and new ways of offering products (e.g. New10, from labour-intensive to platform driven digitally)
- Improve (operational) efficiency through convenient and fast digital basic services to deliver 'hassle free banking'

FTEs trending down



Cost/ income ratio



We are committed to

Pursuing sustainability as a business opportunity

- Service the Dutch SME market guided by client intimacy where it matters and efficiency everywhere else
- Drive the sustainable agenda to accelerate the sustainability shift, which contributes to society and our financial performance
- Grow our top line profitably and manage costs effectively

Questions

CEOs CIB & Commercial Banking

ABN·AMRO

ABN AMRO Investor Day

Strong capital generation and return

CFO | Clifford Abrahams

16 November 2018

Banking for better, for generations to come

Sustainability

- Increasing fees with sustainability initiatives
- Fulfilling client demand for sustainable investments in Private Bank
- Better risk profile of clients engaged in sustainability

Customer experience

- Identifying key customer experience points generates new business opportunities
- Aligning core offering with changed client behaviour, e.g. enhancing insurance and investment offerings
- Establish new partnerships both within and outside the financial sector
- Lower cost through digital first

Future-proof bank

- Continuously manage the balance of efficient and sufficient IT investments
- Improve IT cost efficiency through demand, productivity and supply levers
- Further product and process rationalisation and improvement
- Delivering RoE >10% in 2021 in CIB through transforming the business model

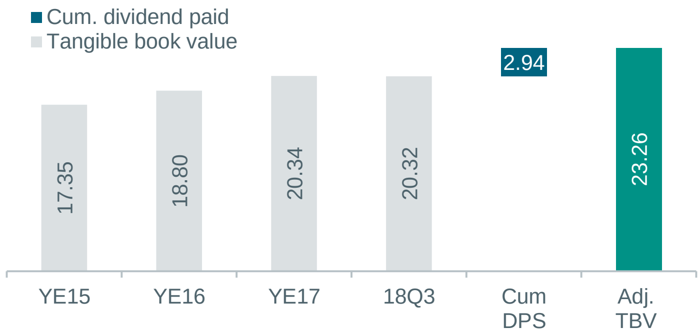
Strong capital generation and return

Our approach to value delivers …

- ✓ Reliable earnings from clients in strong economies
- ✓ Disciplined cost management
- ✓ Moderate risk profile
- ✓ Robust ROE delivering strong capital generation
- ✓ Strong and resilient capital position
- ✓ Attractive capital return to shareholders

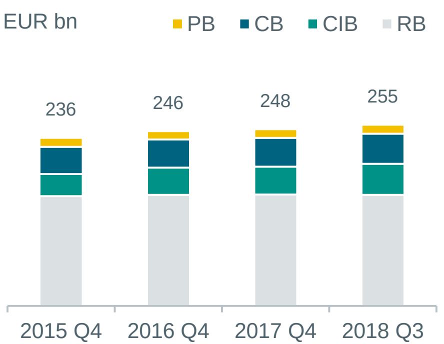
… strong capital generation and return

Average annual capital generation, including dividends, equals 11.2% since year-end 2015 (EUR per share)

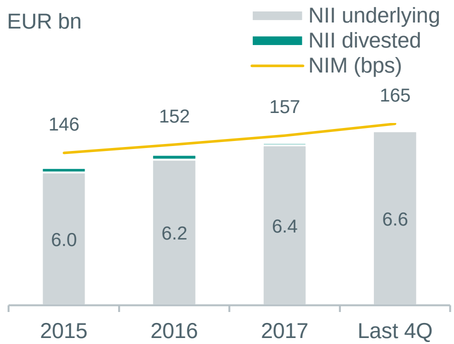


Resilient NII, but pressure on deposit margins in the short-term

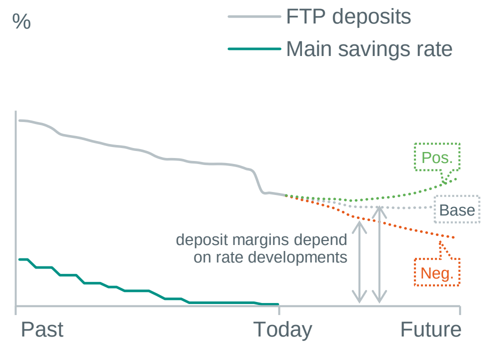
Client lending 1)



Net interest income and margins



Margin pressure deposits 2)



Prospects on client lending

- Flat short-term client lending, reflecting CB increase, flat mortgages, decline from CIB refocus
- Thereafter modest increase, reflecting normalisation of CIB, RB and PB loan growth

Prospects on NII

- Modestly lower in short-term, reflecting margin pressure from deposits
- Thereafter NII improvements as deposit margin pressure eases and client lending normalises

Prospects on deposit margins

- Main deposit rate at 3bps, little or no room to lower further
- FTP and NII depend on interest rate development
- Base case assumes ongoing deposit pressure in 2019 and improvements thereafter

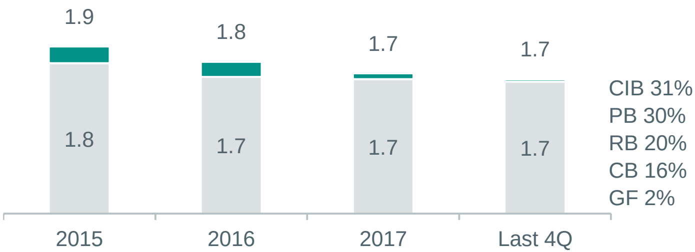
1) Client lending excludes divested activities of PB Asia (2017) & PB Luxembourg (2018)

2) ABN AMRO Group Economics Department interest rate outlook scenarios used for setting the FTP (Funds Transfer Price). Base scenario assumes a first rate hike towards YE2019 and further increases in 2020/22. Positive scenario assumes earlier rate hikes of the main policy rates up until 2021, whereas the negative scenario assumes more accommodative ECB measures (deposit cut and more QE). The dip in the FTP in Q3 2018 shows the implementation of the Non-Maturing Deposits (NMD) model

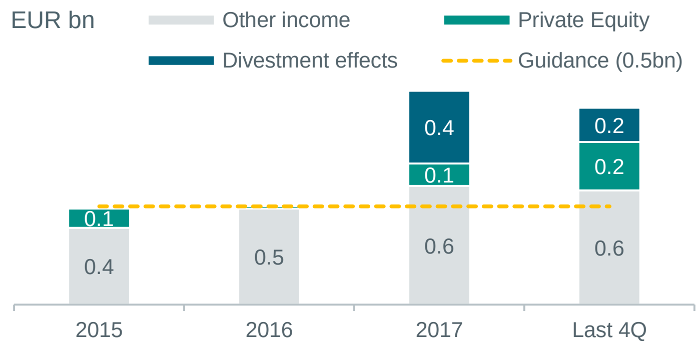
Resilient fees and other income

Fees

Annual fee income excluding divested activities of PB Asia and PB Luxembourg (EUR bn)



Other income



Prospects on fees

- Stable fees in short term, reflecting decline from CIB refocus, growth in PB and stable in other segments
- Thereafter modest pickup from growth initiatives, reflecting new services & business models and from partnerships
- PB to grow securities with focus on managed portfolios

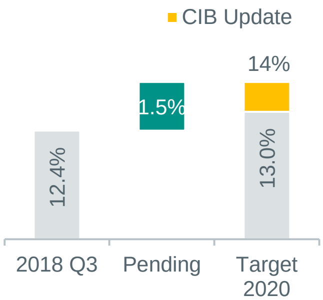
Prospects on other income

- Other income is volatile and includes accounting effects
- Outlook guidance unchanged as recent outperformance reflects divestments and large private equity disposal gains
- Third party funding of Private Equity not expected to impact materially in short term

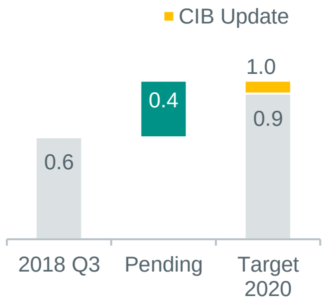
Good progress on cost savings, well on track

Cost saving programmes well on track

Targeted FTE reduction nearly completed

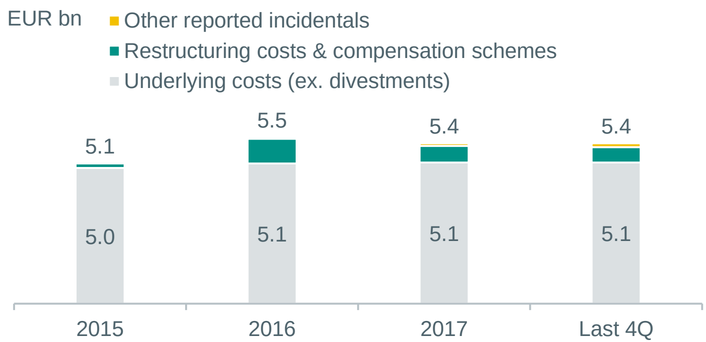


EUR c.0.6bn of targeted savings realised



- Nearly 2/3rds of targeted cost savings delivered. FTE decrease drives progress on cost savings 2)
- On track to meet remaining cost target, through a) digitalisation & process optimisation, b) TOPS2020 & retail digitalisation, c) support & control activities
- Cost measures from CIB refocus now in implementation

Targeted cost savings offset cost increases 1)



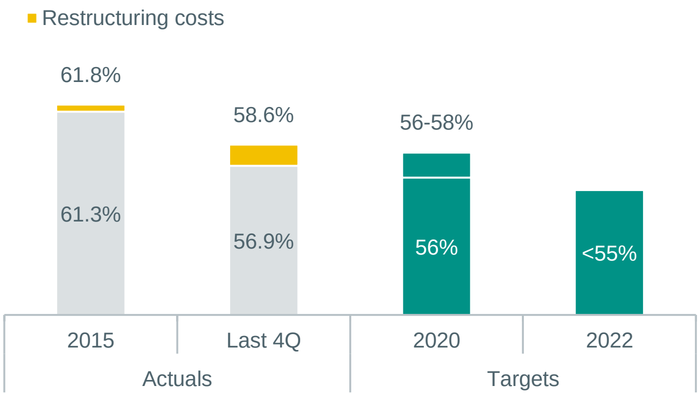
- Stable underlying costs from disciplined cost management
- Majority incidental costs relate to ongoing restructuring and compensation schemes
- On track to meet 2020 cost ambition of c.5.0bn

1) Operating costs, excluding costs from divested activities (PB Asia, PB Lux). Costs of compensation schemes refer to costs associated with SME derivatives and ICS credit cards

2) FTE decrease is a reduction of internal and external FTEs

On track to meet 56-58% target (2020) and raising ambition to <55% (in 2022)

Cost savings deliver continued C/I improvements, despite headwinds



Short term headwinds

- Flat NII outlook on lending
- Deposit margin pressure from low rate environment
- Costs of regulatory change, required digital investments

On track to meet 56-58% in 2020 through

- Remaining savings from digitalisation & process optimisation, TOPS2020 & retail digitalisation, support & control activities
- CIB cost reduction
- Restructuring provisions foreseen in Q4 of around 50m

Despite headwinds, C/I target sharpened to <55% for 2022

- Income benefitting from lending and deposit margin normalisation, growth initiatives
- Based on our Group Economics base scenario including GDP, interest rates and housing market developments
- Improve IT cost efficiency, further product and process rationalisation and improvement across business lines and support functions

Capital and dividend framework

Robust ROE
ROE

- ROE target 10-13%
- ROE 13.1% YTD
- c.200bps CET1 generation [1)]

Well controlled RWAs
RWA

- Flat client lending in short term
- Basel IV output floor reduces volatility
- Basel IV management response

Strong capital position
Capital

- CET1 well placed in 17.5-18.5% range
- Basel IV well placed at c.13% ex. mitigations, >13.5% incl. mitigations
- Leverage ratio >4.0%

Committed to return excess capital
€

- Dividend pay-out of ≥50% of sustainable profit
- Additional distributions considered when capital is within (or above) target range
- Preference for additional dividend pay-out in cash vs. buyback

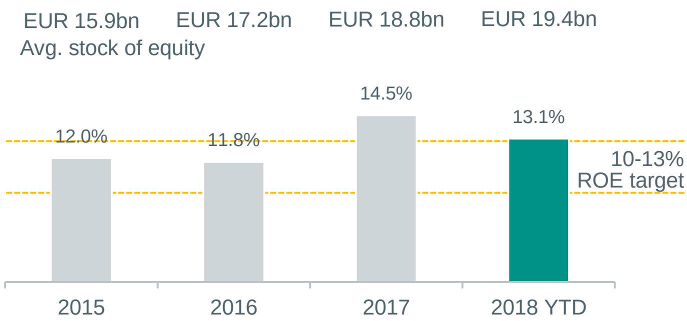
Strong capital position and capital generation but constrained by leverage ratio (today)

1) Annual capital generation before dividend. Calculated as midpoint ROE target times CET1 capital divided by Basel III RWAs

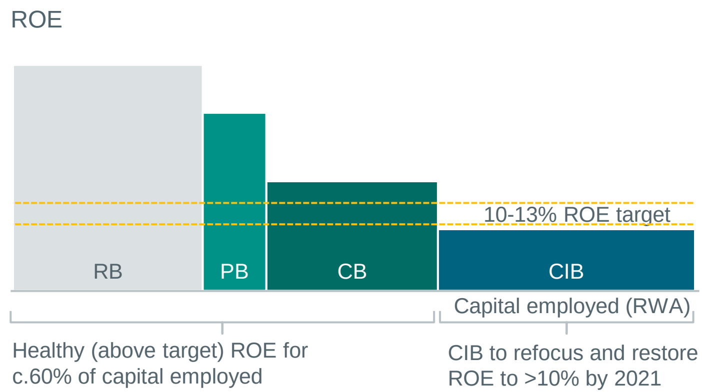
Robust ROE delivery, meeting target

ROE

Consistent ROE delivery inside target range (EUR)



Strong focus on segment ROEs [1]



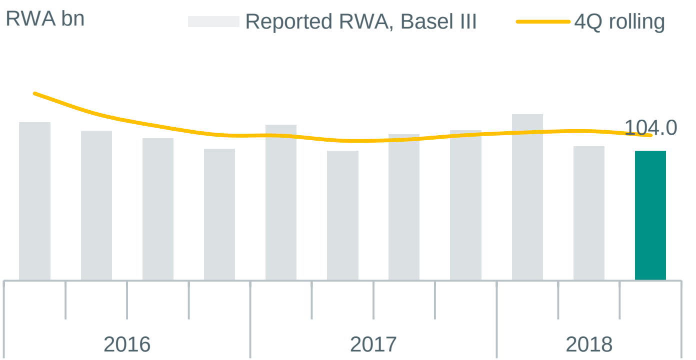
- Since IPO consistently strong ROE delivered, beating ROE target
- Retail, Private and Commercial Banking deliver healthy ROEs
- CIB measures announced to reduce capital usage and improve ROE to >10% [2]

1) ROE based on annualised 2018 YTD segment results and 13.5% CET1 (Basel III) over period end RWAs
2) Reduce capital by 2020 and improve ROE, also excluding changes NII allocation by ALM, by 2021

Well controlled RWAs for both Basel III and Basel IV

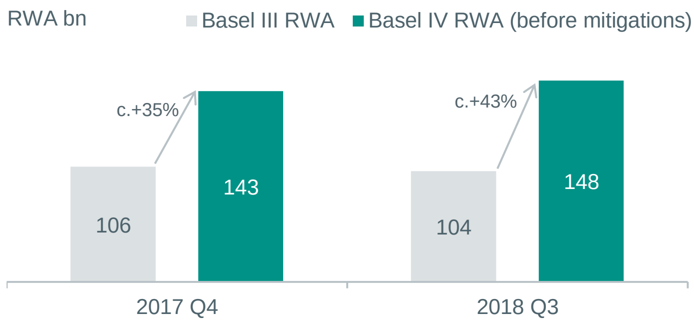
RWA

Stable outlook underlying Basel III RWAs



- Stable underlying Basel III RWAs, although quarterly volatility
- Volatility reflects e.g. changes from credit and data quality, volume and business mix, impairments and/or model adjustments
- TRIM: no material impact so far, reviews ongoing. Possible early adoption of standardised elements

Less underlying RWA volatility expected in Basel IV



- Basel IV RWAs up, reflecting calculation refinements and corporate loan growth, resulting in Basel IV CET1 of c.13%
- Over this period Basel III RWAs declined, reflecting credit quality improvements (not impacting Basel IV) [1]. So Basel IV RWA inflation is estimated to go up from c.35% to c.43% before mitigations
- Going forward, implementation of mitigations and CIB refocus are expected to lower Basel IV RWA inflation

1) RWA increase from Basel III to Basel IV mainly reflects the effect of the binding 72.5% output floor

Focusing now on ensuring well placed for Basel IV from 2022

RWA

Response	Objective	Actions
Mitigations of c.1/5th of Basel IV inflation	Reduce RWA inflation	Specific initiatives to reduce static Basel IV RWA inflation ▪ Enhance data quality: eg source SME turnover to lower risk weight from 100% to 85%, CRE to RRE [1)] ▪ Procure external credit ratings: externally rated clients can have risk weight <100% [1)] ▪ Rationalise product offering: eg from committed to uncommitted, reduce undrawn headroom in credit lines, restructure clearing credit lines, centrally clear securities transactions ▪ Improve collateral: eg financial collateral lowers exposure, improve data sourcing
Reduce capital intensive activities	Reduce RWAs	▪ CIB refocus lowers Basel III RWAs by 5bn ▪ Focus on reducing NPLs
New business model	Enhance returns	▪ CIB adopts more capital efficient business model, i.e. active portfolio management, originate to distribute, increase risk mitigation ▪ CB: co-lending partners, credit insurance ▪ RB: externally funded long-term mortgage funds
Pricing	Enhance returns	▪ Mortgages priced for Basel IV requirements for some time ▪ Pricing for long term products allows for Basel IV phase-in: eg CRE, Shipping ▪ CB: sector based pricing

Anticipate EU implementation from 2022 with ongoing uncertainties on details

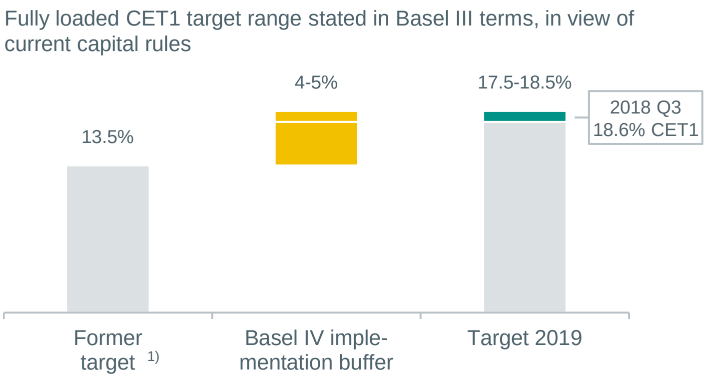
- Active regulatory dialogue on uncertainties: eg indexing mortgage collateral, NHG eligibility, specialised lending risk weights
- Implement low cost and no regret actions: eg data enhancements, CIB refocus
- Cautious approach to repricing to safeguard franchise through implementation uncertainties and transition

1) Risk weights prior to the application of the 72.5% output floor

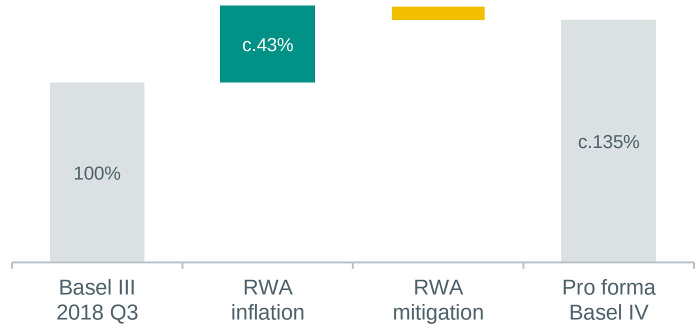
Basel III capital target range remains 17.5-18.5% for 2019

Capital

Capital target unchanged for 2019



Estimated Basel IV RWA inflation & mitigation



- RWA inflation increased to c.43% as Basel III RWAs declined. Net of identified mitigations of c.1/5th, net RWA inflation remains c.35%, before CIB Refocus, reducing capital intensive activities, changes to business model and pricing
- Aim to meet fully loaded Basel IV early in phase-in period. Prudent buffer for Basel IV implementation, expected unchanged for 2019, and adequate to address implementation risks
- Capital position at top of the range. Expect to review range annually or upon material changes (eg SREP, NPE guidance, TRIM, provision reviews)

1) Former CET1 target based on 4.5% Pillar 1, 5.5% Combined Buffer Requirement, 1.75% Pillar 2R, 5bps Counter Cyclical Buffer and the remainder of Pillar 2G and management buffer

Well positioned for Basel III & Basel IV, leverage ratio constrained short-term

Capital

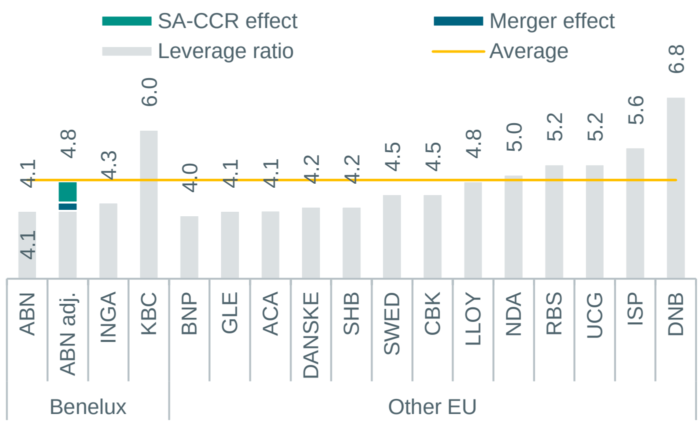
	Basel III	Basel IV	Leverage ratio
Actual	▪ 18.6%	▪ c.13% before mitigations ▪ >13.5% post mitigations	▪ 4.1%
Target	▪ 10.425% SREP (2018) ▪ 17.5-18.5% target	▪ 13.5% early in phase-in period	▪ >4.0% ambition
Status	▪ Well positioned	▪ Well positioned	▪ Constrained short-term
Prospects [1)]	▪ Credit and business developments ▪ Model reviews (TRIM) ▪ Capital: provision reviews, industry-wide NPE guidance ▪ SREP (2019)	▪ EU implementation Basel IV ▪ Mitigation and management response ▪ Capital: provision reviews, industry-wide NPE guidance	▪ Capital: provision reviews, industry-wide NPE guidance ▪ Legal merger and SA-CCR implementation provide relief

1) Non-performing Exposure Guidelines aim to harmonise the impairment approach and treatment of non-performing exposures across European banks

Leverage ratio benefits from legal merger and from future SA-CCR rules

Capital

Implied leverage ratio at par with peer average [1]



Leverage ratio developments

	Minority Interest Rules	Current exposure calculation
Impacts	Group T1 and T2 capital (numerator) [2]	Exposure from derivative clearing (denominator)
Solution	Legal merger of group into bank (2019) [3]	Application of SA-CCR rules (≤2021)
Relief	c.0.2% of LR	c.0.5% of LR

- Exploring legal merger, targeting to improve leverage ratio by c.0.2%, through optimising the AT1 effectiveness [2,3]
- Regulatory dialogue continues and targets early SA-CCR adoption, improves leverage ratio by c.0.5%
- Exposure measure actively managed and well controlled and benefits from CIB refocus

1) Source: ABN AMRO, S&P Global Market Intelligence, dated 2018 Q2

2) Instruments, exceeding ABN AMRO Bank's requirements, do not fully contribute to consolidated group capital ratios, impacting T1, total capital and leverage ratio. No impact on group CET1 ratio.

3) Legal merger has no material impact on shareholders, DR holders and creditors. No impact on effectiveness of defence mechanism or anti-takeover mechanism. STAK to hold ABN AMRO Bank shares for depositary receipts. Subject to internal and external approvals, including from regulators, general meeting and depositary receipt holders, and consent of or alignment with other stakeholders

Committed to return excess capital through dividend

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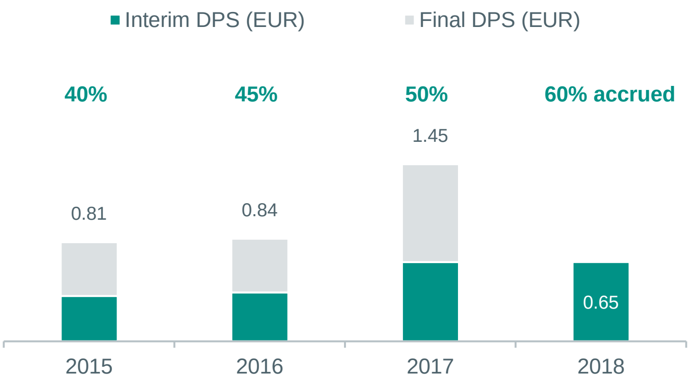
Track record of increased dividend



Approach to additional dividends

Dividend policy

- Dividend policy: 50% of sustainable profit plus additional distributions
- Preference for additional distributions in dividend vs. buybacks

Good progress made on additional distributions

- ✓ Well placed vs. Basel III capital range
- ✓ Well controlled Basel III RWA development
- ✓ Good progress on Basel IV management response
- ✓ CIB refocus in execution

- Steadily increasing dividend pay-out delivered to 50% in 2017
- Dividend accrual raised to 60% of YTD profit to provide dividend flexibility. Final decision with FY2018 results, reflecting SREP, leverage ratio, Basel IV outlook and industry-wide NPE guidance
- Beyond 2018 we expect to be well placed to consider additional cash dividend pay-out on top of 50% of sustainable profit, subject to regulatory, business and economic conditions

We are committed to delivering on our promises and targets

We are committed to…

- ✓ Reliable earnings from clients in strong economies
- ✓ Disciplined cost management
- ✓ Moderate risk profile
- ✓ Robust ROE delivering strong capital generation
- ✓ Strong and resilient capital position
- ✓ Attractive capital return to shareholders

Good progress on financial targets

- Strong earnings track record in low rate environment
- C/I ratio on track: 56-58% (2020) and to <55% (2022)
- Sound asset quality, healthy credit outlook
- Since IPO: ROE >11% delivered
- Above target capital at 18.6%, resilient stress test result
- 60% accrued for 2018, well placed beyond 2018

A Additional slides

Merger releases CET1 and AT1 capital and improves leverage ratio

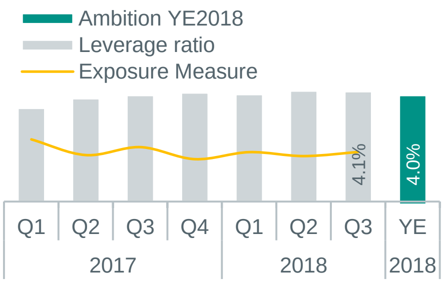
Current structure	Legal merger	Post merger
Shareholders & DR-holders ABN AMRO Group	Share Exchange AAB shares for AAG shares	Shareholders & DR-holders ABN AMRO Bank
ABN AMRO Group	**ABN AMRO Group** (Disappearing Company)	
ABN AMRO Bank	**ABN AMRO Bank** (Acquiring Company)	**ABN AMRO Bank**

- Exploring legal merger, targeting to improve leverage ratio by c.0.2%, through optimising the AT1 effectiveness [1)]
- Merger also simplifies legal and reporting structure
- No material effect on investors in equity & debt instruments and defence mechanism remains in place
- Timing is subject to regulatory and stakeholder approvals. Completion targeted in the course of 2019

1) EBA interpretation of Minority Interest Rules (MIR) applies to EU banks. At the holding company MIR limits the effectiveness of the portion of capital instruments exceeding the minimum own funds requirement at the operating company. This portion of instruments can no longer fully contribute to consolidated capital ratios of ABN AMRO Group. The legal merger removes these capital restrictions and results in higher effective amount of AT1, Tier 1, total capital and improves leverage ratio

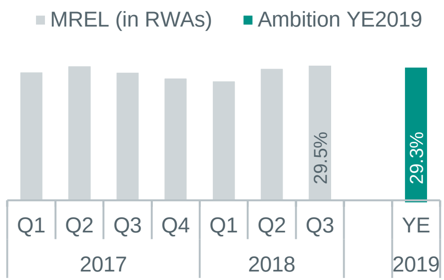
Limited issuance of capital and funding instruments in 2019

Leverage ratio



- Leverage ratio managed to above 4.0%
- Expectation 2019
  - No AT1 issuance, no redemptions
  - Legal merger to release trapped equity and AT1
  - Further profit accrual
  - Exposure measure actively managed

MREL



- MREL ambition met, excluding any senior preferred instruments
- Finalisation MREL framework pending (2019)
- Outlook 2019
  - Possible inaugural SNP issuance to optimise MREL mix
  - No T2 redemptions

Wholesale Funding

Key considerations

- Regulatory requirements: LCR, NSFR
- Internal limits: LtD, buffer, asset encumbrance
- Diversification and redemption profile
- Market dynamics

LT funding need 2019: EUR 10-15bn

- Senior preferred (unsecured) in various currencies and maturities and under various programmes
- Covered Bonds to facilitate long dated mortgage origination

Questions

CFO

ABN·AMRO

ABN AMRO Investor Day

Wrap-up

CEO | Kees van Dijkhuizen

16 November 2018

Wrap-up

- Disciplined delivery since IPO
- Strategy refresh with 3 pillars: sustainability, customer experience and future-proof bank
- We are committed to our moderate risk profile
- Continuously manage the balance of efficient and sufficient IT investments
- Expanding our involvement in broader ecosystems and client journeys outside our own
- In the Retail Bank we will build on our proven track record through a focus on customer experience
- Harmonisation, digitisation and growth will drive the C/I of the Private Bank
- CIB to deliver >10% RoE in 2021 under Basel III and transform and prepare for Basel IV
- The Commercial Bank to turn sustainability into a business opportunity

Responsible investment choice with high returns

- Domestic champion in Retail, Private, Commercial and Corporate Banking in a digitally-savvy and strong Dutch market
- Making a positive impact in a profitable way by accelerating the sustainability shift of our clients
- Treasuring the customer relationship increasingly working with partners
- Demonstrated delivery on cost savings, with Innovation & Technology as a critical enabler for efficiency
- Moderate risk profile based on discipline, strong capitalisation and a clean balance sheet
- Delivering attractive returns with high capital return
- Decisive and agile management team

Thank you

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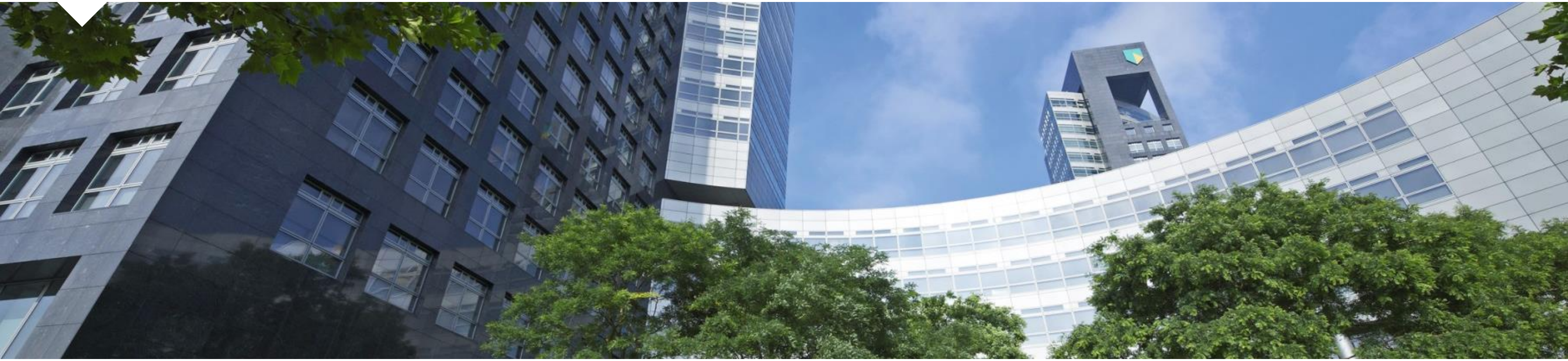

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