

ABN AMRO Bank N.V.

Pillar 3 Report

First quarter 2024

Table of contents

Notes to the reader		3
Key metrics and overview of RWEA		4
Key metrics template	EU KM1	5
Overview of total risk exposure amounts	EU OV1	7
Liquidity requirements		8
Qualitative information on LCR, which complements template EU LIQ1	EU LIQB	8
Quantitative information on LCR	EU LIQ1	9
Credit risk		10
RWEA flow statements of credit risk exposures under the IRB approach	EU CR8	10
Market risk		11
RWEA flow statements of market risk exposures under the IMA	EU MR2-B	11
Disclaimer & cautionary statements		12

Notes to the reader

This Pillar 3 Report provides the consolidated disclosures of ABN AMRO Bank N.V. required by Capital Requirements Regulation (EU) No 575/2013 on prudential requirements for credit institutions (Part Eight) and the final draft Implementing Technical Standards (ITS) on public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013. The Pillar 3 report for the first quarter of 2024 includes an update on the quarterly required disclosures, which provide comprehensive information about risk, funding and capital management. The templates included in this Pillar 3 Report have been prepared in accordance with the abovementioned regulations.

Presentation of information

This report is presented in euros (EUR), which is ABN AMRO's functional and presentation currency, rounded to the nearest million (unless otherwise stated). Certain figures in this report may not tally exactly due to rounding. Furthermore, certain percentages in this document have been calculated using rounded figures. The capital figures in the Pillar 3 Report are based on CRR fully-loaded figures, as the phase-in period came to an end on 1 January 2023. The figures presented in this document are not required to be, nor have they been, audited or reviewed by our external auditor. In this report, the terms 'risk-weighted assets (RWA)' and 'risk-weighted exposure amount (RWEA)' are used interchangeably. Similarly, this report may use the terms 'banking book' and 'non-trading book' interchangeably.

Waiver policy (omitting templates and tables)

In accordance with Article 432 of the CRR, ABN AMRO may omit one or more of the required disclosures where the information provided by those disclosures is not regarded as material or is not applicable to its operations. Information in disclosures shall be regarded as material where its omission or misstatement could change or influence the assessment or decision of a user of that information relying on it for the purpose of making economic decisions.

ABN AMRO shall, in accordance with Article 432 of the CRR, explain the reasons for omitting any information required in the templates and tables included in the final draft ITS.

The following template has been identified as not applicable to ABN AMRO and is therefore not included in this report:

- EU CCR7 – RWEA flow statements of CCR exposures under the IMM: ABN AMRO does not use the Internal Model Method (IMM) for measuring the EAD for counterparty credit risk exposures. Instead, we apply the Standardised Approach for Counterparty Credit Risk (SA-CCR) to calculate the EAD for derivatives and the Financial Collateral Comprehensive Method (FCCM) method for securities financing transactions (CRR 220/222). Therefore, this template is not applicable.

Key metrics and overview of RWEA

Highlights

- The CET1 ratio under Basel III decreased to 13.8% (31 December 2023: 14.3%), mainly due to an increase in RWEA and capital deductions.
- Total RWEA increased to EUR 144.2 billion (31 December 2023: EUR 140.2 billion), primarily driven by a rise in credit risk RWEA.
- Total Capital increased to EUR 26.9 billion (31 December 2023: EUR 26.3 billion), mainly due to the issuance of a EUR 750 million AT1 instrument.
- The leverage ratio decreased to 5.2% as of 31 March 2024 (31 December 2023: 5.3%). This was mainly due to the increase in on-balance sheet exposures, partly offset by an increase of Tier 1 capital, mainly due to the issuance of a EUR 750 million AT1 instrument.



EU KM1 - Key metrics template

On 31 March 2024, the CET1 ratio under Basel III was 13.8% (31 December 2023: 14.3%). In comparison with Q4 2023, the CET1 ratio decreased due to an increase in RWEA and capital deductions. Total RWEA increased by EUR 4.0 billion compared to 31 December 2023, primarily driven by a rise in credit risk RWEA, which included EUR 1.7 billion in model-related add-ons and seasonal business developments at Clearing. The Q1 2024 net profit, amounting to EUR 647 million after deduction of AT1 coupons, was added to CET1 capital excluding a 50% dividend reservation. CET1 capital was impacted by capital deductions, which included the effect of the transfer of portfolios to less sophisticated approaches. All capital ratios were in line with the bank's risk appetite and comfortably above regulatory requirements.

(in millions)	A	B	C	D	E
	31 March 2024	31 December 2023	30 September 2023	30 June 2023	31 March 2023
Available own funds (amounts)					
1 Common Equity Tier 1 (CET1) capital	19,952	20,003	20,544	20,051	19,727
2 Tier 1 capital	22,680	21,985	22,526	22,033	21,709
3 Total capital	26,856	26,264	26,981	26,522	25,587
Risk-weighted exposure amounts (RWEA)					
4 Total RWEA	144,174	140,187	136,570	134,487	131,748
Capital ratios (as % of RWEA)					
5 Common Equity Tier 1 ratio (%)	13.8%	14.3%	15.0%	14.9%	15.0%
6 Tier 1 ratio (%)	15.7%	15.7%	16.5%	16.4%	16.5%
7 Total capital ratio (%)	18.6%	18.7%	19.8%	19.7%	19.4%
Additional own funds requirements to address risks other than the risk of excessive leverage (as % of RWEA)					
EU 7a Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.3%	2.0%	2.0%	2.0%	2.0%
EU 7b - of which to be made up of CET1 capital (percentage points)	1.3%	1.1%	1.1%	1.1%	1.1%
EU 7c - of which to be made up of Tier 1 capital (percentage points)	1.7%	1.5%	1.5%	1.5%	1.5%
EU 7d Total SREP own funds requirements (%)	10.3%	10.0%	10.0%	10.0%	10.0%
Combined buffer requirement (as % of RWEA)					
8 Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
EU 8a Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					
9 Institution specific countercyclical capital buffer (%)	0.98%	0.95%	0.95%	0.90%	0.13%
EU 9a Systemic risk buffer (%)					
10 Global Systemically Important Institution buffer (%)					
EU 10a Other Systemically Important Institution buffer	1.5%	1.5%	1.5%	1.5%	1.5%
11 Combined buffer requirement (%)	4.98%	4.95%	4.95%	4.90%	4.13%
EU 11a Overall capital requirements (%)	15.23%	14.95%	14.95%	14.90%	14.13%
12 CET1 available after meeting the total SREP own funds requirements (%)	8.04%	8.18%	8.99%	8.88%	8.98%
Leverage ratio					
13 Total exposure measure	435,207	412,957	433,088	436,936	437,797
14 Leverage ratio (%)	5.2%	5.3%	5.2%	5.0%	5.0%

continued >



(in millions)		A	B	C	D	E
		31 March 2024	31 December 2023	30 September 2023	30 June 2023	31 March 2023
Additional own funds requirements to address risks of excessive leverage (as % of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)					
EU 14b	- of which to be made up of CET1 capital (percentage points)					
EU 14c	Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%	3.0%	3.0%
Leverage ratio buffer and overall leverage ratio requirement (as % of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)					
EU 14e	Overall leverage ratio requirements (%)	3.0%	3.0%	3.0%	3.0%	3.0%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value-average)	95,026	97,015	99,135	101,705	101,867
EU 16a	Cash outflows - Total weighted value	96,104	96,333	97,979	100,475	102,075
EU 16b	Cash inflows - Total weighted value	29,823	29,122	28,991	29,721	30,734
16	Total net cash outflows (adjusted value)	66,281	67,211	68,988	70,754	71,341
17	Liquidity coverage ratio (%)	144%	144%	144%	144%	143%
Net Stable Funding Ratio						
18	Total available stable funding	262,226	263,379	256,671	258,856	254,557
19	Total required stable funding	191,710	188,458	189,450	188,669	186,860
20	NSFR ratio (%)	137%	140%	135%	137%	136%

EU OV1 - Overview of total risk exposure amounts

Total RWEA increased to EUR 144.2 billion at 31 March 2024 (31 December 2023: EUR 140.2 billion), primarily driven by a rise in credit risk RWEA. This included a net EUR 1.7 billion model-related add-on, as well as an increase related to seasonal business developments at Clearing. We are continuing the review of our credit risk RWEA models, which may lead to further model updates and RWEA add-ons under both Basel III and Basel IV.

Operational risk RWA increased slightly to EUR 16.0 billion (31 December 2023: EUR 15.5 billion). Under the standardised approach (TSA), operational risk RWA is based on a three-year average of the operating income. The average operating income increased due to the addition of the 2023 income to replace the 2020 figure. As of Q1, RWA for operational risk is allocated to client units based on client units' total income, in line with the standardised approach (TSA). RWA related to market risk increased slightly due to position changes, partially offsetting a decrease of the capital multipliers for value-at-risk (VaR) and stressed-VaR.

(in millions)	A		B		C		D	
	31 March 2024	Total own funds requirements	31 December 2023	Total own funds requirements	TREA	Total own funds requirements	TREA	Total own funds requirements
1 Credit risk (excluding CCR)	117,797	9,424	115,996	9,280				
2 - of which the Standardised Approach	7,123	570	5,848	468				
3 - of which the foundation IRB (F-IRB) approach ¹	29,785	2,383	10,848	868				
4 - of which slotting approach								
EU 4a - of which equities under the simple risk-weighted approach	2,399	192	2,358	189				
5 - of which the advanced IRB (A-IRB) approach	47,778	3,822	63,895	5,112				
6 Counterparty Credit Risk (CCR)	7,608	609	6,494	519				
7 - of which the Standardised Approach	3,623	290	3,027	242				
8 - of which internal model method (IMM)								
EU 8a - of which exposures to a CCP	769	61	713	57				
EU 8b - of which credit valuation adjustment (CVA)	253	20	261	21				
9 - of which other CCR	2,963	237	2,492	199				
15 Settlement risk								
16 Securitisation exposures in the non-trading book (after the cap)	341	27	277	22				
17 - of which SEC-IRBA approach								
18 - of which SEC-ERBA (including IAA)	47	4	47	4				
19 - of which SEC-SA approach	293	23	230	18				
EU 19a - of which 1250%								
20 Position, foreign exchange and commodities risks (Market risk)	2,451	196	1,956	156				
21 - of which Standardised Approach	2		2					
22 - of which IMA	2,449	196	1,954	156				
EU 22a Large exposures								
23 Operational risk	15,977	1,278	15,465	1,237				
EU 23a - of which basic indicator approach								
EU 23b - of which Standardised Approach	15,977	1,278	15,465	1,237				
EU 23c - of which advanced measurement approach								
24 Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	1,366	109	1,304	104				
29 Total	144,174	11,534	140,187	11,215				

¹ Following EBA's instructions for this template, the amount reported under F-IRB also includes Other non-credit obligation assets.

² Following EBA's instructions for this template, the amount of which the advanced IRB approach is excluding Equity exposures subject to risk weights and CIU exposures subject to the fall-back approach.

Liquidity requirements

EU LIQB - Qualitative information on LCR, which complements template EU LIQ1

The consolidated LCR amounted to 144% at the end of March 2024, based on a 12-month rolling average. This is in line with the previous quarter (31 December 2023: 144%).

Concentration of funding sources

Liquidity risks are mitigated by maintaining a sufficiently large liquidity buffer and a stable and diversified funding mix to safeguard access to liquidity at any time. ABN AMRO's main source of funding consists of client deposits and is well diversified across its client segments Personal & Business Banking, Wealth Management and Corporate Banking. The remainder of the bank's funding is raised through various long-term wholesale funding instruments. Short-term wholesale funding is raised via commercial paper and certificates of deposit programmes.

Composition of liquidity buffer

The LCR eligible liquidity buffer (excluding retained notes) at 31 March 2024 amounted to EUR 95.0 billion, based on a 12-month rolling average and was composed mainly of cash at central banks and government bonds. This is in line with the previous quarter (31 December 2023: EUR 97.0 billion).

Derivative exposures and potential collateral calls

To manage liquidity risk regarding derivative exposures and potential collateral calls, the bank has an adequate pool of collateral at its disposal, which is managed proactively in accordance with its collateral management framework. This enables the bank to secure payment traffic with the central bank, meet margin calls for financial markets transactions (e.g. derivatives, securities financing and clearing) and manage the liquidity buffer within the approved risk appetite.

Currency mismatch in the LCR

The bank's liquidity management focuses on significant currencies. The bank's current significant currencies are the euro and the US dollar, given that the aggregate liabilities denominated in these currencies amount to 5% or more of the bank's total liabilities. The liquidity buffer reflects the composition of the balance sheet as it comprises cash and securities primarily in euros and secondarily in US dollars. The LCR for US dollars is monitored and reported as well.

Other items

The EU LIQ1 template is focused on the consolidated LCR. The bank also monitors, reports and when necessary steers the LCR for subsidiaries (taking into account local regulations) and other regulatory scopes (including sub-liquidity group scope).

EU LIQ1 - Quantitative information on LCR

	A	B	C	D	E	F	G	H
	Total unweighted value (average)				Total weighted value (average)			
	31 March 2024	31 December 2023	30 September 2023	30 June 2023	31 March 2024	31 December 2023	30 September 2023	30 June 2023
	Data points used in the calculation of averages				Data points used in the calculation of averages			
(in millions)	12	12	12	12	12	12	12	12
High-quality liquid assets (HQLA)								
1 Total high-quality liquid assets					95,026	97,015	99,135	101,705
Cash - outflows								
2 Retail deposits and deposits from small business customers, of which:								
3 <i>Stable deposits</i>	88,260	88,554	88,747	88,904	4,413	4,428	4,437	4,445
4 <i>Less stable deposits</i>	45,067	45,484	46,160	46,891	5,872	5,892	5,956	6,040
5 Unsecured wholesale funding	110,667	113,207	117,484	123,670	56,274	56,551	57,926	59,279
6 <i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	35,045	38,731	42,484	48,416	8,735	9,647	10,578	12,057
7 <i>Non-operational deposits (all counterparties)</i>	71,604	70,241	71,001	71,565	43,521	42,669	43,349	43,531
8 <i>Unsecured debt</i>	4,018	4,235	3,999	3,690	4,018	4,235	3,999	3,690
9 Secured wholesale funding					4,923	5,134	5,206	5,411
10 Additional requirements	56,262	55,013	54,188	53,772	14,962	14,865	14,623	14,662
11 <i>Outflows related to derivative exposures and other collateral requirements</i>	10,063	9,342	9,084	8,991	8,093	8,044	7,982	8,032
12 <i>Outflows related to loss of funding on debt products</i>	305	294	161	163	305	294	161	163
13 <i>Credit and liquidity facilities</i>	45,895	45,378	44,943	44,619	6,565	6,528	6,479	6,467
14 Other contractual funding obligations	9,328	8,675	9,300	10,456	6,812	6,298	6,339	6,825
15 Other contingent funding obligations	41,771	42,250	43,258	44,757	2,558	2,832	3,103	3,372
16 Total cash outflows					96,104	96,333	97,979	100,475
Cash - inflows								
17 Secured lending (e.g. reverse repos)	32,982	32,951	31,492	31,279	12,579	12,178	11,413	10,953
18 Inflows from fully performing exposures	16,150	15,317	15,074	15,233	13,550	13,111	13,393	14,058
19 Other cash inflows	11,167	11,507	13,266	16,602	3,694	3,834	4,185	4,710
EU-19a (Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)								
EU-19b (Excess inflows from a related specialised credit institution)								
20 Total cash inflows	60,298	59,775	59,832	63,114	29,823	29,122	28,991	29,721
EU-20a <i>Fully exempt inflows</i>								
EU-20b <i>Inflows subject to 90% cap</i>								
EU-20c <i>Inflows subject to 75% cap</i>	53,952	53,571	53,350	56,519	29,823	29,122	28,991	29,721
Total adjusted value								
EU-21 Liquidity buffer					95,026	97,015	99,135	101,705
22 Total net cash outflows					66,281	67,211	68,988	70,754
23 Liquidity coverage ratio					144%	144%	144%	144%

Credit risk

EU CR8 - RWEA flow statements of credit risk exposures under the IRB approach

As at 31 March 2024, credit risk RWEA under the IRB approach increased to EUR 81.2 billion (31 December 2023: EUR 78.3 billion). This was mainly the result of methodology and policy changes due to specific portfolio movements from the Advanced-IRB approach to the Foundation-IRB approach. A rise in exposures (asset size) and foreign exchange movements also contributed to the increase.

The movement presented as “Methodology and policy” had only very limited impact on the bank’s CET1 ratio. This is because prior to obtaining the supervisor’s approval to move specific portfolios to a different approach, the bank had already voluntarily included the expected additional RWEA in ‘other risk exposure amounts’. In the EU OV1 template, these ‘other risk exposure amounts’ are included as part of credit risk. However, following EBA’s mapping they were not included in the EU CR8 template, which is why they appear as an increase here. Similarly, the impact of the model-related add-on mentioned earlier is not yet included in the EU CR8 figures. Ahead of the full implementation of that model update in the bank’s systems, the impact has already been included in Total RWEA as part of ‘other risk exposure amounts’.

	A		B	
	31 March 2024		31 December 2023	
(in millions)	RWEA		RWEA	
1 RWEA as at the end of the previous reporting period¹	78,292		77,588	
2 Asset size (+/-)	190		-222	
3 Asset quality (+/-)	98		1,121	
4 Model updates (+/-)				
5 Methodology and policy (+/-)	2,436			
6 Acquisitions and disposals (+/-)				
7 Foreign exchange movements (+/-)	146		-195	
8 Other (+/-)				
9 RWEA as at the end of the reporting period	81,162		78,292	

¹ Following EBA’s mapping for this template, the RWEA includes ‘Equity IRB’ (which includes IRB CIUs that receive the fall-back approach). For this reason, the CR8 RWEA does not reconcile with the credit risk RWEA reported in the EU OV1 template.

Market risk

EU MR2-B - RWEA flow statements of market risk exposures under the IMA

Market risk RWA under the Internal Model Approach (IMA) increased to EUR 2.5 billion at 31 March 2024 (31 December 2023: EUR 2.0 billion). The increase was mainly due to a rise in RWA for the incremental risk charge (IRC), caused by position changes and a new regulatory add-on of 14%, which is included in the 'Model updates/changes'. This was partially offset by a decrease in the capital multipliers for value-at-risk (VaR) and stressed-VaR, due to lower capital multipliers.

Note that the capital multipliers for VaR and SVaR are both 3.0. As a result, the 12-week average, multiplied by capital multipliers, always exceeds the latest observations. This is reflected in the regulatory adjustments.

	A	B	C	D	E	F	G	J	K
						31 March 2024	31 December 2023		
(in millions)	VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWEA	Total own funds requirements	Total RWEA	Total own funds requirements
1 RWEA at the previous quarter-end	497	829	628			1,954	156	2,189	175
<i>1a Regulatory adjustment</i>	-374	-657	-191			-1,222	-98	-1,103	-88
<i>1b RWEA at the previous quarter-end (end of the day)</i>	123	172	437			732	59	1,086	87
2 Movement in risk levels	-17	101	710			794	64	-354	-28
3 Model updates/changes			131			131	10		
4 Methodology and policy									
5 Acquisitions and disposals									
6 Foreign exchange movements									
7 Other									
<i>8a RWEA at the end of the disclosure period (end of the day)</i>	106	273	1,277			1,656	132	732	59
<i>8b Regulatory adjustment</i>	243	527	23			793	63	1,222	98
8 RWEA at the end of the disclosure period	349	799	1,301			2,449	196	1,954	156

Disclaimer & cautionary statements

ABN AMRO has included in this document and from time to time may make certain statements in its public statements that constitute “forward-looking statements”. This includes, without limitation, statements that include the words “expect”, “estimate”, “project”, “anticipate”, “should”, “intend”, “plan”, “probability”, “risk”, “Value-at-Risk (“VaR”)", “target”, “goal”, “objective”, “will”, “endeavour”, “outlook”, “optimistic”, “prospects” and similar expressions or variations of such expressions. In particular, the document may include forward-looking statements relating but not limited to ABN AMRO's potential exposures to various types of operational, credit and market risk. Such statements are subject to uncertainties. Forward-looking statements are not historical facts and represent only ABN AMRO's current views and assumptions regarding future events, many of which are by nature inherently uncertain and beyond our control. Factors that could cause actual results to deviate materially from those anticipated by forward-looking statements include, but are not limited to, macroeconomic, demographic and political conditions and risks, actions taken and policies applied by governments and their agencies, financial regulators and private organisations (including credit rating agencies), market conditions and turbulence in financial and other markets, and the success of ABN AMRO in managing the risks involved in the foregoing. Any forward-looking statements made by ABN AMRO are current views as at the date they are made. Subject to statutory obligations, ABN AMRO does not intend to publicly update or revise forward-looking statements to reflect events or circumstances after the date the statements were made, and ABN AMRO assumes no obligation to do so.

abnamro.com