Quarterly Report

Fourth quarter 2016

ABN AMRO Group N.V.

Notes to the reader

Introduction

This Quarterly Report presents ABN AMRO's results for the fourth quarter of 2016. The report provides an update of ABN AMRO's share performance, a quarterly financial review, an economic update and selected risk, capital, liquidity and funding disclosures.

Presentation of information

The financial information contained in this Quarterly Report has been prepared according to the same accounting policies and methods of computation as our most recent financial statements, which were prepared in accordance with EU IFRS. The figures in this document have not been audited or reviewed by our external auditor. Moreover, to provide a better understading of the underlying results, ABN AMRO has adjusted its reported results for defined special items. For more details refer to the Additional financial information.

This report is presented in euros (EUR), which is ABN AMRO's presentation currency, rounded to the nearest million (unless otherwise stated). All annual averages in this report are based on month-end figures. Management does not believe that these month-end averages present trends that are materially different from those that would be presented by daily averages. Certain figures in this report may not tally exactly due to rounding. Furthermore, certain percentages in this document have been calculated using rounded figures.

As a result of an IFRIC rejection notice of 6 April 2016, ABN AMRO adjusted its accounting policies for offsetting per Q2 2016. The bank offsets balances if it is legally entitled to set off the recognised amounts and intends to settle on a net basis, or realise the asset and settle the liability simultaneously. The IFRIC rejection notice provides additional offsetting guidance for cash pooling agreements. The adjusted offsetting policy is applied consistently to all assets and liabilities, if applicable.

For notional cash pooling agreements, ABN AMRO adjusted procedures and contractual arrangements in order to be able to continue to apply offsetting in compliance with IFRS. As a result, notional cash pooling balances that cannot be supported with a settlement of those balances closely after the reporting date are presented gross. At year-end 2016 this resulted in an increase of EUR 1.7 billion in the loans and receivables - customers balance and the due to customers balance (30 September 2016: EUR 2.2 billion, 31 December 2015: EUR 15.5 billion). The majority of the EUR 13.8 billion decrease in loans and receivables - customers and due to customers over 2016 (Q4 2016 versus Q3 2016: EUR 0.5 billion decrease) can be explained by the adjusted offsetting procedures for most notional cash pooling agreements. In order to meet the revised offsetting requirements, a number of these agreements were adjusted and others were replaced with alternative arrangements.

In addition to the offsetting changes on notional cash pooling, ABN AMRO concluded that offsetting would no longer be applied to bank savings mortgages. As a result, bank savings mortgages are presented gross as per year-end 2016. This resulted in an increase in the loans and receivables - customers balance and the due to customers balance of EUR 1.8 billion at 31 December 2016 (30 September 2016: EUR 1.7 billion; 31 December 2015: EUR 1.5 billion).

To ensure a correct historical interpretation of the bank's performance, the balance sheet analysis of loans and receivables - customers and due to customers in the Financial results section specifies the impact of the abovementioned adjustments. In addition, the Net Interest Margin (NIM), Cost of Risk (CoR) and Loan-to-Deposit (LtD) ratios in this section are presented excluding the impact of these adjustments on the comparative figures before 30 June 2016 and before 31 December 2016 respectively, and therefore remain in line with previously disclosed figures.

For a download of this report or more information, please visit us at abnamro.com/ir or contact us at investorrelations@nl.abnamro.com. In addition to this report, ABN AMRO provides an analyst and investor call presentation, an investor presentation and a factsheet on the Q4 2016 results.

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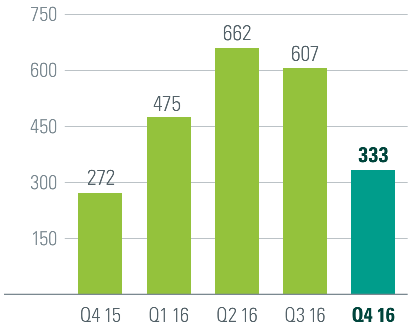
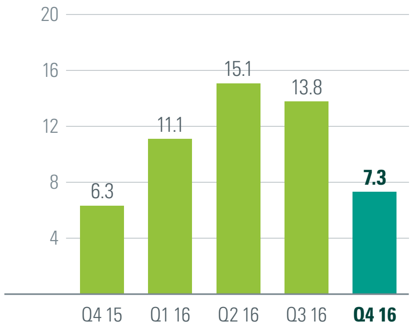
Figures at a glance

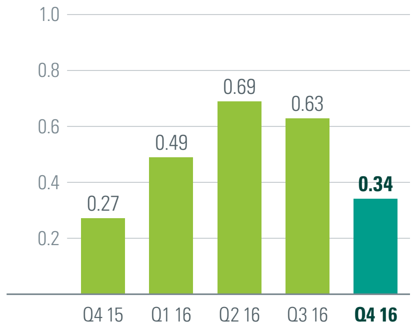
Underlying net profit
(in millions)



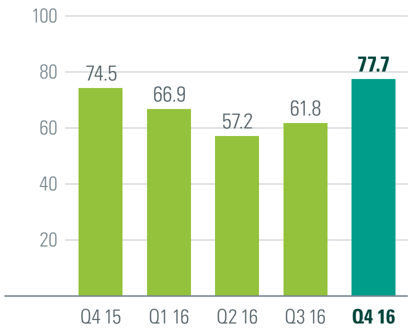
Underlying return on equity
Target range is 10-13 (in %)



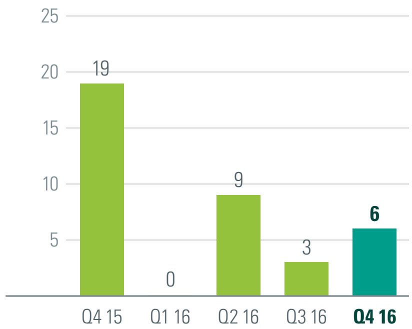
Underlying earnings per share
(in EUR)



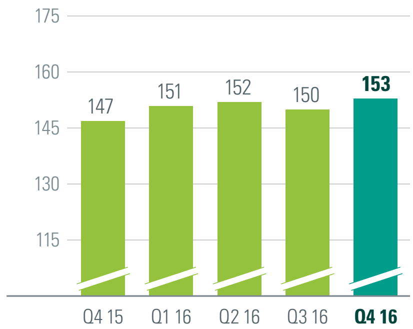
Underlying cost/income ratio
2020 target range is 56-58 (in %)



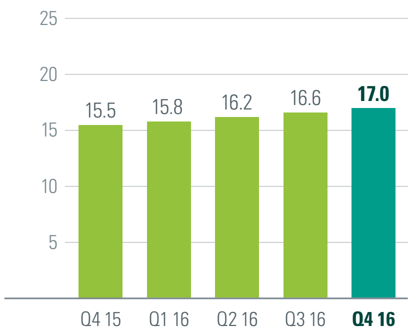
Underlying cost of risk[1]
(in bps)



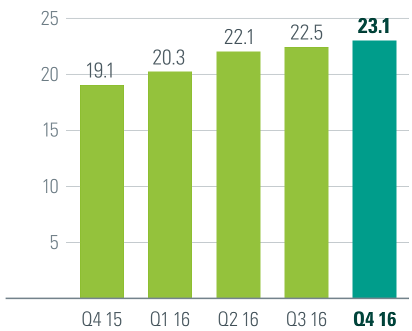
Underlying net interest margin[1]
(in bps)



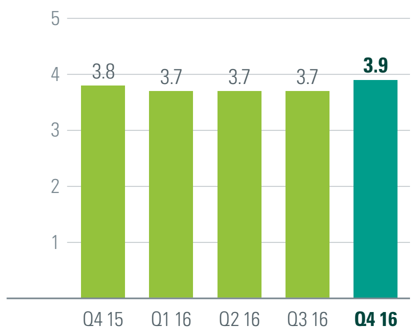
CET1 (fully-loaded)
(end-of-period, in %)
Target range is 11.5-13.5 (in %)



Total capital ratio (fully-loaded)
(end-of-period, in %)



Leverage ratio (fully-loaded, CDR)
(end-of-period, in %)



[1] For management view purposes the historical periods before 31 December 2016 have not been adjusted for the revised accounting relating to the netting. Further details are provided in the Notes to the reader section of this report.

Message from the CEO

ABN AMRO is a bank with strong market positions. We serve corporate, retail and private banking clients, focusing on Northwest Europe and offering expertise in specific sectors worldwide. The bank was listed again on the stock exchange in 2015, with a clearly defined strategy, and in November 2016 we updated our strategic priorities. Being an organisation that is client-driven while maintaining a moderate risk profile are guiding principles for ABN AMRO. We continue to invest in the future and we aim to achieve sustainable growth. I will work with the Executive Committee to deliver on this strategy while remaining ever alert to new developments. This is what we stand for and what we will pursue in the coming years.

We recently announced a new management structure. Going forward we will have a statutory Executive Board and an Executive Committee. The statutory Executive Board consists of the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the Chief Risk Officer (CRO). The Executive Committee consists of the members of the Executive Board, the four business lines (Retail Banking, Commercial Banking, Corporate & Institutional Banking and Private Banking) and two roles with bank-wide responsibilities (Technology & Innovation and HR & Transformation). This structure will make ABN AMRO more efficient, agile and even more client-driven as the business lines are more strongly represented at senior executive level.

A defining feature of our bank is our expertise, which starts with a thorough understanding of what our clients want, what motivates them and knowledge of the sectors in which they are active. We use this in-depth knowledge to develop propositions for our clients in response to their rapidly changing needs and wishes. Many of our clients today – both individuals and business – prefer to conduct their daily banking business digitally. To meet this need, we are increasing investments in digitalisation and innovation.

Examples are our app for sending payment requests via WhatsApp to others (which can be used by clients of any Dutch bank) and payment by fingerprint recognition (we are the only major bank enabling clients to make iDEAL payments this way). Another example is our Mobile Banking app, which has the most features of any mobile banking app in the Dutch market by far. We were the first major bank in the Netherlands to enable clients to manage their investment portfolio via a mobile banking app. The app has been highly rated in our home market and abroad. At the same time, we are exploring new digital propositions and innovations. We are transforming MoneYou into a fully digital retail bank, and we are developing new digital propositions in other segments.

The revised Payment Services Directive (PSD2), to be introduced in 2018, is an important driver of innovation for us. This regulation opens up the market to new entrants and propositions, including in the field of payments. One of the innovations we have developed is Gradefix, a new tool that enables clients to use their transaction data to perform analyses and risk assessments. Gradefix is offered to corporate clients, making it easier for them to do business, and is now being piloted by De Hypotheker, the largest independent mortgage consultancy service in the Netherlands.

We aim to achieve sustainable growth, in the Netherlands and beyond. This past quarter we realised growth in all of our major loan books. Firstly, we were the number one provider of new mortgages in the Netherlands for the second consecutive year, and our mortgage portfolio grew for the first time since 2010. Secondly, the SME loan portfolio in the Netherlands is growing again after years of decline. And lastly, we grew our international corporate loan portfolio. Our global sector-based approach within ECT Clients is being rolled out to Natural Resources, Renewable Energy, Food Supply Chain and Utilities and we have started onboarding new clients in these sectors. This shows that our bank can achieve growth both in the Netherlands and abroad.

But growth must fit our moderate risk profile. This means, for instance, that we only take risks we understand and that we pursue a prudent provision policy. The growth we envision in the energy, commodities, transportation and adjacent sectors may be in industries that are currently experiencing a downturn, but we know these sectors well and the existing impairments can be well managed. Moreover, these impairments are currently being offset by historically low impairments on mortgages and corporate loans.

We want to make a contribution to society – not only in our mortgage and corporate lending activities, but also in terms of social engagement. We are the third bank in the world and the first in continental Europe to issue Social Impact Bonds; so far we have issued five of these bonds. We manage well over EUR 300 billion in client assets worldwide. Thanks to our sustainable investment proposition, we are making a significant impact.

Clear communication is also high on my list of priorities, and I am pleased to report that we have taken a major step forward in the Transparency Benchmark. ABN AMRO now ranks tenth in the list of the most transparent companies in the Netherlands when it comes to reporting sustainability results.

The fourth-quarter results we are publishing today show that we are a financially healthy and robust bank. The underlying net profit for the fourth quarter was EUR 333 million, after net restructuring costs of EUR 153 million. The underlying net profit for full-year 2016 was EUR 2,076 million, an increase of 8% compared with 2015. Profitability improved on the back of growth in the loan book (mortgages, SME and corporate loans) and significantly lower impairments. The cost/income ratio increased to 65.9% (2015: 61.8%), or 61.8% excluding restructuring costs. The restructuring costs relate to the staff reduction plans announced in the second half of 2016. The ROE for the full year amounted to 11.8% (2015: 12.0%). Our capital position strengthened further and the fully-loaded CET1 ratio stood at 17.0% at year-end (2015: 15.5%). We have increased the proposed dividend for full-year 2016 to EUR 0.84 per share (2015: EUR 0.81). This is a payout ratio of 45% of the reported net profit.

I want to thank our staff for their hard work and dedication to our clients and the bank, and our clients for their business in this increasingly competitive industry. I would also like to express my gratitude to the four members of the Managing Board who have announced their departure in the past few months. Gerrit Zalm, Caroline Princen, Chris Vogelzang and Joop Wijn made very valuable contributions to rebuilding the new ABN AMRO.

Kees van Dijkhuizen
CEO of ABN AMRO Group N.V.

ABN AMRO shares

Key developments

Between 30 September 2016 and 31 December 2016, ABN AMRO's share price (depositary receipts) rose 14% while the STOXX Europe 600 Bank index rose 27%. In November 2016, NLFI ('Stichting administratiekantoor beheer financiële instellingen') completed an accelerated book building offering of 65 million depositary receipts (representing approximately 7% of total issued share capital), which are now listed on the Euronext Amsterdam exchange.

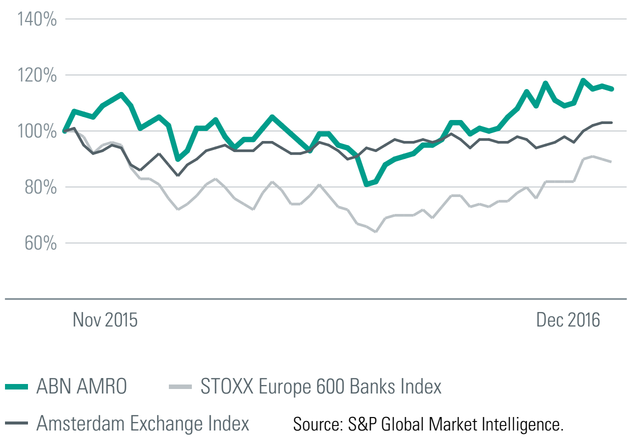
Listing information

A total of 281.2 million shares, or approximately 30% of the total issued share capital of ABN AMRO Group, is currently held by STAK AAG ('Stichting Administratiekantoor Continuïteit ABN AMRO Group'), which subsequently issued depositary receipts representing such shares. The depositary receipts are listed on Euronext. More information on STAK AAG is provided in the 'About ABN AMRO' section of abnamro.com. The depositary receipts trade under ISIN code 'NL0011540547', Reuters ticker 'ABNd.AS' and Bloomberg ticker 'ABN:NA'.

DRIP

ABN AMRO Corporate Broking offers holders of depositary receipts for shares in ABN AMRO Group access to a dividend reinvestment plan ('DRIP'), whereby net cash dividends are reinvested in additional depositary receipts for shares in ABN AMRO. More information is provided in the 'Investor Relations' section of abnamro.com.

Share price development
(in %)



Source: S&P Global Market Intelligence.

Financial calendar[1]

- Publication of Annual Report 2016 – 15 March 2017
- Publication of first-quarter 2017 results – 17 May 2017
- Annual General Meeting - 30 May 2017
- Publication of second-quarter 2017 results – 9 August 2017
- Publication of third-quarter 2017 results – 8 November 2017

[1] All dates are subject to change. Please refer to abnamro.com/ir for the latest information.

(in millions)	Q4 2016	Q3 2016	Q4 2015	2016	2015
Share count					
Total shares outstanding/issued and paid-up shares	940	940	940	940	940
- of which held by NLFI	659	724	724	659	724
- of which listed (in the form of depositary receipts)	281	216	216	281	216
- as a percentage of total outstanding shares	30%	23%	23%	30%	23%
Average number of shares	940	940	940	940	940
Average diluted number of shares	940	940	940	940	940
Key indicators per share (EUR)					
Earnings per share (reported)[1]	0.34	0.63	0.27	1.87	2.03
Shareholder's equity per share	19.08	18.25	17.63	19.08	17.63
Tangible shareholder's equity per share	18.82	17.98	17.35	18.82	17.35
Dividend per share[2]				0.84	0.81
Share price development (EUR)					
Closing price (end of period)	21.05	18.42	20.67	21.05	20.67
High (during the period)	22.12	19.10	20.80	22.12	20.80
Low (during the period)	18.13	14.02	18.00	14.02	18.00
Market capitalisation (end of period, in billions)	19.79	17.31	19.43	19.79	19.43
Valuation indicators (end of period)					
Price/Earnings	9.5x	8.6x	10.1x	9.5x	10.1x
Price/Tangible book value	1.1x	1.0x	1.2x	1.1x	1.2x
Dividend pay out ratio[2]				45%	40%

[1] Reported profit for the period excluding reserved coupons for AT 1 Capital securities (net of tax) and results attributable to non-controlling interests.
[2] Dividend per share and payout ratio subject to approval of the annual general meeting in May 2017.
Source: S&P Global Market Intelligence

Economic environment

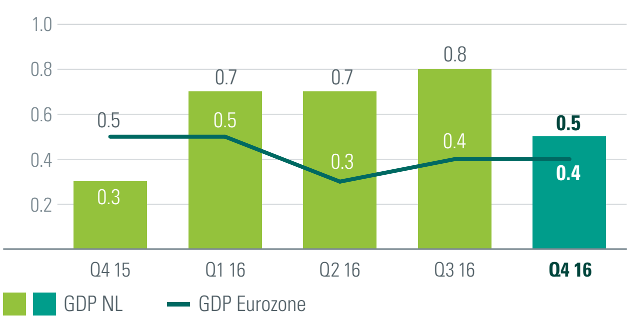
The global economy has gained momentum. This had already been suggested for the past several months by the increase in many confidence indicators. More recently, 'hard' economic data have shown some improvement as well. On balance, global economic growth is estimated to have been roughly stable in the fourth quarter (quarter-on-quarter). Weakness in the Chinese economy was seen as a risk for the global economy. In Q4, however, economic growth in China accelerated fractionally (year-on-year).

The US economy expanded by 0.5% quarter-on-quarter in the fourth quarter, according to the first official estimate. The economy saw some payback for the strong rebound in Q3, but according to the most recent data the US economy remains on firm footing. In the eurozone, GDP growth was up to 0.4%, according to Eurostat's 'preliminary flash estimate'.

Following three strong quarters, economic growth in the Netherlands was slightly lower in Q4. GDP rose by 0.5% quarter-on-quarter. For the whole of 2016, GDP grew by 2.1% (2015: 2.0%). The recent improvement in sentiment indicators suggests that growth may remain solid in the near term.

In general, the economic environment appears to have become slightly more positive for ABN AMRO. Negative risks to the economy, however, have not disappeared. Brexit negotiations are expected to start soon and may still have adverse effects. Given the relatively close trade relations between the Netherlands and the United Kingdom, a disruption in trade flows would hit the Dutch economy slightly harder than the eurozone as a whole. This also applies for a weaker sterling. There is no clarity yet regarding all of US president Trump's policy measures. If he does indeed take protectionist measures, this would seriously harm the global economy.

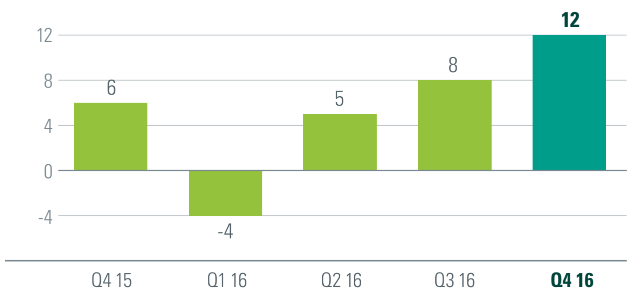
Quarterly development of Gross Domestic Product
(in % q-o-q growth)



Source: Eurostat and CBS.

- Dutch GDP rose 0.5% (quarter-on-quarter) in Q4, down slightly from 0.8% in Q3.
- Consumption, exports and - to a lesser extent - residential investment contributed to growth.
- Business investment, however, dropped.

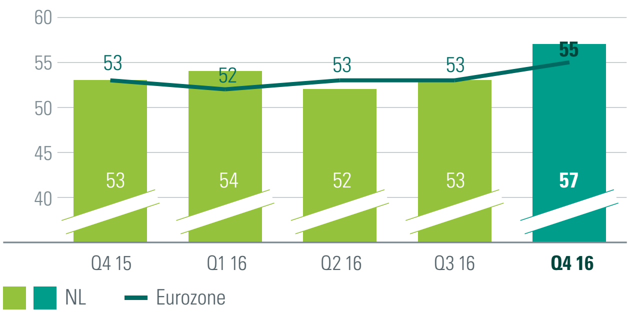
Consumer confidence in the Netherlands
(as % balance of positive and negative answers, end-of-period)



Source: CBS

- Consumer confidence rose in Q4 to 12, up from 8 at the end of Q3. These levels are significantly above the long-term average of -8.
- Consumers were more positive about the economic climate and their willingness to buy increased.
- Confidence continued to improve in January.

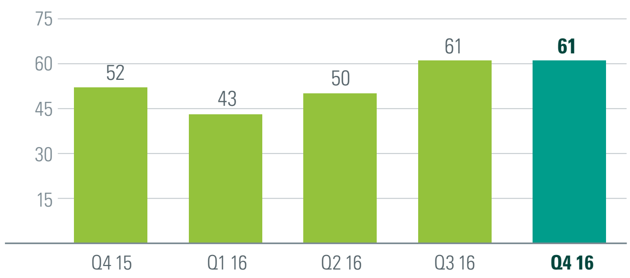
Manufacturing Purchasing Managers' Index
(>50: growth, <50: contraction, end-of-period)



Source: Markit

- The Dutch manufacturing PMI rose markedly further in Q4.
- At 57.3 (far above the boom-bust level of 50), the index is distinctly pointing to further growth.
- Other sentiment indicators also improved in Q4.

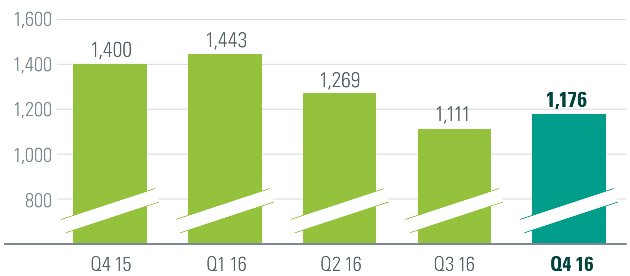
Number of houses sold in the Netherlands
(in thousands)



Source: CBS

- The number of houses sold rose firmly again, by 16% year-on-year in Q4 (slightly down from +20% in Q3).
- The housing market is still benefiting from very low mortgage interest rates.
- The rise in house prices went up to 6.7% at the end of Q4. This sustained rise has continued to reduce the number of households in negative equity.

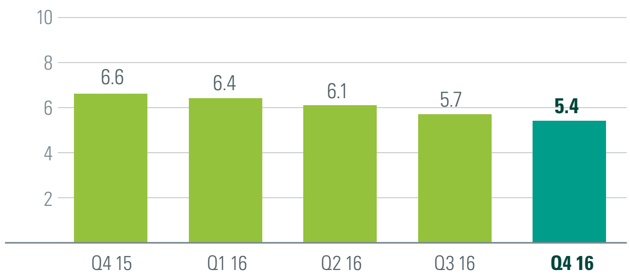
Bankruptcies in the Netherlands
(number of bankruptcies)



Source: CBS

- The number of bankruptcies dropped by about 16% year-on-year in Q4 (-13.5% in Q3).
- However, the number was slightly higher than in Q3. This rise was at least partly incidental.
- The bankruptcy ratio (bankruptcies per number of businesses) is below pre-crisis levels.

Unemployment in the Netherlands
(in % of total labour force, end-of-period)



Source: CBS

- Unemployment dropped further in Q4.
- The decline was attributable to the rising number of employed people, owing to ongoing economic growth.
- The decline in the course of H2 was steeper than in H1.

Financial results

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Financial review

This operating and financial review includes a discussion and analysis of the results of operations and sets out the financial condition of ABN AMRO Group based on underlying results.

Income statement

Operating results

(in millions)	Q4 2016	Q4 2015	Change	Q3 2016	Change	2016	2015	Change
Net interest income	1,575	1,497	5%	1,575		6,277	6,076	3%
Net fee and commission income	440	454	-3%	437	1%	1,743	1,829	-5%
Other operating income	180	101	77%	210	-14%	568	550	3%
Operating income	**2,195**	**2,052**	**7%**	**2,222**	**-1%**	**8,588**	**8,455**	**2%**
Personnel expenses	777	640	22%	765	2%	2,777	2,492	11%
Other expenses	929	889	4%	607	53%	2,880	2,736	5%
Operating expenses	**1,706**	**1,528**	**12%**	**1,372**	**24%**	**5,657**	**5,228**	**8%**
Operating result	**489**	**524**	**-7%**	**849**	**-42%**	**2,931**	**3,227**	**-9%**
Impairment charges on loans and other receivables	35	124	-72%	23	51%	114	505	-77%
Operating profit/(loss) before taxation	**454**	**399**	**14%**	**826**	**-45%**	**2,817**	**2,722**	**3%**
Income tax expense	120	128	-6%	220	-45%	740	798	-7%
Underlying profit/(loss) for the period	**333**	**272**	**23%**	**607**	**-45%**	**2,076**	**1,924**	**8%**
Special items						-271		
Reported profit/(loss) for the period	**333**	**272**	**23%**	**607**	**-45%**	**1,806**	**1,924**	**-6%**
Of which Non-controlling interests		5				1	5	

Other indicators

	Q4 2016	Q4 2015	Q3 2016	2016	2015
Net interest margin (NIM) (in bps)[1]	153	147	150	152	146
Underlying cost/income ratio	77.7%	74.5%	61.8%	65.9%	61.8%
Underlying cost of risk (in bps)[1, 2]	6	19	3	4	19
Underlying return on average Equity[3]	7.3%	6.3%	13.8%	11.8%	12.0%
Underlying earnings per share (in EUR)[4]	0.34	0.27	0.63	2.16	2.03

1 For management view purposes, the historical periods before 31 December 2016 have not been adjusted for the revised accounting relating to the netting. Further details are provided in the Notes to the reader section of this report.
2 Annualised impairment charges on loans and receivables - customers for the period divided by the average loans and receivables - customers on the basis of gross carrying amount and excluding fair value adjustment from hedge accounting.
3 Underlying profit for the period excluding reserved coupons for AT1 Capital securities (net of tax) and results attributable to non-controlling interests divided by the average equity attributable to the owners of the company.
4 Underlying profit for the period excluding reserved coupons for AT1 Capital securities (net of tax) and results attributable to non-controlling interests divided by the average outstanding and paid-up ordinary shares.

	31 December 2016	30 September 2016	31 December 2015
Client Assets (in billions)	323	316	314
FTEs	21,664	21,809	22,048

Fourth-quarter 2016 results

ABN AMRO's **underlying profit for the period** amounted to EUR 333 million, an increase of EUR 61 million compared with Q4 2015. Higher operating income (both net interest income and other operating income) and lower loan impairments were partly offset by higher expenses. Q4 2016 included EUR 204 million of restructuring provisions related to an announced reorganisation regarding digitalisation and process optimisation (EUR 29 million in Q4 2015). Underlying profit for the period decreased by EUR 274 million compared with Q3 2016, mainly due to higher cost levels for provisions and regulatory levies.

In December a final version of the settlement for SME derivatives-related issues was presented by the committee of independent experts. A new element in the Uniform Recovery Framework is that all files and client compensation proposals must be reviewed by independent external parties. This additional review will lead to higher-than-expected execution costs, for which we recorded a provision of EUR 55 million in Q4 2016 (in other expenses of Corporate Banking) on top of execution costs already incurred in 2015 and 2016. In addition, the existing provision for compensation has been increased by EUR 19 million (EUR 9 million in NII and EUR 10 million in other operating income of Corporate Banking). The total provision for compensation for SME derivatives-related issues taken in 2015 and 2016 amounts to EUR 520 million. This was recorded primarily in other operating income and, to a lesser extent, NII. The large addition of EUR 361 million recorded in Q2 2016 was classified as a special item.

International Card Services (ICS), the credit card business of ABN AMRO, has identified certain issues in its credit lending portfolio. A number of clients were given a credit facility above their lending capacity. This has been reported to the AFM, and the clients who were affected will be compensated. A provision of EUR 47 million was recorded in Q4 2016 (in NII). In addition to the compensation, a provision of EUR 16 million has been recorded (in other expenses) for execution costs. ICS is part of Retail Banking.

The **underlying return on equity (ROE)** was 7.3% in Q4 2016 compared with 6.3% in Q4 2015, while regulatory levies were lower, costs for restructuring and other provisions were higher year-on-year.

Operating income increased to EUR 2,195 million compared with EUR 2,052 million in Q4 2015.

Net interest income came to EUR 1,575 million, up by EUR 78 million compared with Q4 2015. Improvements were recorded in all commercial segments, except Commercial Clients.

In Retail Banking net interest income from residential mortgages increased compared with Q4 2015 as margins continued to improve due to repricing of the mortgage backbook. This was partly offset by decreased net interest income on consumer loans due to lower average loan volumes and lower margins. On the liability side, the rate paid on retail savings accounts decreased by 10bps on 30 September to 30bps while volumes slightly increased. Retail Banking's net interest income was negatively impacted in Q4 2016 by a provision at ICS of EUR 47 million. This impact was largely offset by a provision for Euribor mortgages (EUR 46 million) recorded in Q4 2015 (EUR 41 million at Retail Banking and EUR 5 million at Private Banking).

Net interest income on corporate loans increased compared with Q4 2015 due to higher volumes at International Clients (including currency impact). The growth was achieved on the back of growth in the loan portfolio of ECT Clients, mainly internationally. Net interest income in Capital Markets Solutions was up by EUR 31 million compared with Q4 2015, rising mainly at Sales & Trading (partly due to favourable one-offs due to collateral management).

Net interest income remained stable compared with Q3 2016. Underlying improvements at the business segments were offset by a provision for ICS in Q4 2016.

Net interest margin (NIM) increased to 153bps in Q4 2016 (147bps in Q4 2015). Higher net interest income was partly offset by a slight increase in average total assets (excluding the impact of amended notional cash pooling balances for historical figures before Q2 2016). NIM improved compared with Q3 2016 (150bps) due to lower average total assets.

Net fee and commission income, at EUR 440 million in Q4 2016, was EUR 14 million lower than in Q4 2015. A decrease at Retail Banking was due mainly to a reduction of client rates for payment packages in 2016.

Other operating income came to EUR 180 million, an increase of EUR 79 million compared with Q4 2015. This was due to higher hedge accounting-related results (EUR 79 million in Q4 2016 and EUR 44 million in Q4 2015) and lower additions to the provision for SME derivatives related issues (EUR 10 million in Q4 2016 versus EUR 75 million in Q4 2015). CVA/DVA/FVA results were almost unchanged (EUR 25 million in Q4 2016 and EUR 20 million in Q4 2015). Equity Participations recorded a EUR 22 million loss versus a EUR 30 million gain in Q4 2015.

Personnel expenses amounted to EUR 777 million in Q4 2016 and included a restructuring provision of EUR 177 million booked at Group Functions related to further digitalisation and process optimisation as announced in Q3. Excluding this restructuring provision, personnel expenses were flat compared with Q4 2015. Q4 2015 included a restructuring provision at Group Functions of EUR 29 million.

Other expenses increased by EUR 40 million to EUR 929 million in Q4 2016. Excluding the impact of lower regulatory levies (EUR 120 million in Q4 2016 versus EUR 220 million in Q4 2015), other expenses increased by EUR 140 million. The increase was due to a provision for SME derivatives-related issues (EUR 55 million), a provision for ICS (EUR 16 million) and a restructuring provision related to office space (EUR 27 million). Q4 2015 included a EUR 35 million release on the Deposit Guarantee Scheme for the DSB default.

Regulatory levies in Q4 2016 (EUR 120 million) consist of an annual amount of EUR 95 million for the Dutch bank tax (non tax-deductable) and a quarterly amount of EUR 25 million related to the Deposit Guarantee Scheme (DGS).

Other expenses were EUR 322 million higher than Q3 2016 in part due to higher restructuring costs, provisions for ICS and SME derivatives-related issues, and regulatory levies. Furthermore, costs were higher due to higher project costs, as well as higher marketing costs and staff education costs.

The **operating result** decreased by EUR 35 million compared with Q4 2015 and the cost/income ratio increased by 3.2 percentage points to 77.7%.

Impairment charges on loans and other receivables amounted to EUR 35 million in Q4 2016 (EUR 124 million in Q4 2015). The improved economic conditions in the Netherlands resulted in releases of impairments previously taken and lower additions. An IBNI release of EUR 49 million was recorded in Q4 2016 (Q4 2015: EUR 22 million).

The cost of risk (impairment charges over the total book) for mortgages remained low at 2bps.

Impairment charges on corporate loans were lower than in Q4 2015. Commercial Clients posted a EUR 27 million release in net impairments. Both quarters contained IBNI releases, although these were lower in Q4 2016. Impairment charges in International Clients were EUR 53 million lower largely due to favourable IBNI developments. Impairment charges in ECT Clients were stable (EUR 35 million in Q4 2016, EUR 31 million in Q4 2015 and EUR 33 million in Q3 2016).

The **effective tax rate** decreased by 5 percentage points to 27% in Q4 2016. The effective tax rates in Q4 of both years were impacted by the non tax-deductability of Dutch bank tax.

International results

Operating income from international activities represented 21% of overall operating income compared with 20% in Q4 2015 and 19% in Q3 2016. International operating income increased at a higher pace than the results in the Netherlands. In particular, international operating income at Corporate Banking (International Clients and Capital Markets Solutions) further improved.

Full-year 2016 results

ABN AMRO's **underlying profit** for 2016 was EUR 2,076 million, an increase of EUR 152 million compared with 2015. Significantly lower impairment charges and higher operating income were partly offset by higher expenses, mainly related to restructuring provisions in Q3 and Q4 2016.

Reported profit for 2016 amounted to EUR 1,806 million and includes an addition to the provision for SME derivatives-related issues of EUR 271 million net of tax, recorded in Q2 2016.

The underlying **return on equity (ROE)** decreased slightly to 11.8% in 2016 (12.0% in 2015); 2016 included higher restructuring costs as well as lower impairments.

Operating income was EUR 8,588 million in 2016 compared with EUR 8,455 million in 2015. The increase in net interest income was partly offset by lower net fee and commission income.

Net interest income went up by EUR 201 million to EUR 6,277 million in 2016. The increase was recorded in all business segments and was primarily due to improved margins on residential mortgages, corporate loans and deposits (as well as higher volumes). Consumer loans saw lower volumes and margins.

Net fee and commission income, at EUR 1,743 million in 2016, was EUR 86 million lower than in 2015. This was mainly related to uncertainty and volatility in the financial markets which negatively impacted Private Banking in particular and, to a lesser extent, Retail Banking. The decline in fee income at Retail Banking was also caused by a reduction of client rates for payment packages in 2016.

Other operating income came to EUR 568 million in 2016, up from EUR 550 million in 2015. This was partly due to book profits/revaluation gains on stakes in Visa Europe (EUR 116 million) and Equens (EUR 52 million). Both years included provisions for SME derivatives-related issues as well as tax-exempt provisions related to the part of securities financing activities discontinued in 2009. CVA/DVA/FVA results (EUR 2 million negative in 2016 versus EUR 76 million positive in 2015), Equity Participations results (EUR 13 million in 2016 versus EUR 98 million in 2015) and lower hedge accounting-related results (EUR 39 million in 2016 versus EUR 182 million in 2015) were all lower.

Personnel expenses were EUR 2,777 million, an increase of EUR 285 million compared with 2015. The increase was due to EUR 321 million of restructuring provisions related to the announced reorganisation of the control and support activities (Q3 2016) and digitalisation and process optimisation (Q4 2016). This was partly offset by several smaller restructuring provisions recorded in 2015.

Other expenses rose by EUR 144 million to EUR 2,880 million in 2016. The increase was partly related to EUR 33 million higher regulatory levies booked in 2016. Regulatory levies amounted to a total of EUR 253 million in 2016 consisting of EUR 66 million for the Single Resolution Fund (including a EUR 32 million refund on the 2015 payment), EUR 98 million for the bank tax and EUR 90 million for the Deposit Guarantee Scheme. For 2017 a total of around EUR 295 million regulatory levies is expected.

Excluding regulatory levies, other expenses increased by EUR 111 million. The increase was largely due to provisions for SME derivatives-related issues (EUR 55 million), ICS (EUR 16 million) and restructuring provision for office space (EUR 27 million). This was partly offset by strict cost control and the settlement of an insurance claim at Private Banking (EUR 24 million).

Last year included at EUR 35 million release related to DSB and a VAT return, as well as a final settlement (EUR 55 million) with Vestia (a Dutch housing corporation).

The **operating result** decreased by EUR 296 million compared with 2015 and the cost/income ratio deteriorated by 4.1 percentage points to 65.9%.

Impairment charges on loans and other receivables were EUR 114 million versus EUR 505 million in 2015. Continued improvement of economic conditions in the Netherlands resulted in EUR 210 million lower additions and EUR 185 million higher releases of impairments previously taken. Both years recorded significant IBNI releases.

Impairment charges on residential mortgages were limited in 2016 but higher than in 2015 due to considerable IBNI releases in 2015. The cost of risk for mortgages was 4bps in 2016.

Impairment charges on corporate loans decreased in 2016. Commercial Clients recorded releases while International Clients had higher impairment charges, mainly in ECT Clients (EUR 209 million in 2016 versus EUR 128 million in 2015).

The **cost of risk** was 4bps in 2016, down from 19bps in 2015.

The **effective tax rate** in 2016 was 26% versus 29% in 2015. The effective tax rate in 2015 was negatively impacted by a reassessment of our tax position.

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Balance sheet

Condensed consolidated statement of financial position

As a result of the netting adjustments, the comparative balance sheet figure has been adjusted by EUR 17.0 billion at 31 December 2015.

(in millions)	31 December 2016	30 September 2016	31 December 2015
Cash and balances at central banks	21,861	22,572	26,195
Financial assets held for trading	1,607	3,914	1,706
Derivatives	14,384	18,745	19,138
Financial investments	45,497	46,214	40,542
Securities financing	17,589	40,122	20,062
Loans and receivables - banks	13,485	15,672	15,680
Loans and receivables - customers	267,679	270,762	276,375
Other	12,380	8,784	7,676
Total assets	**394,482**	**426,786**	**407,373**
Financial liabilities held for trading	791	2,551	459
Derivatives	14,526	21,462	22,425
Securities financing	11,625	28,415	11,372
Due to banks	13,419	15,016	14,630
Due to customers	228,758	242,091	247,353
Issued debt	81,278	79,819	76,207
Subordinated liabilities	11,171	11,115	9,708
Other	13,976	8,165	7,635
Total liabilities	**375,544**	**408,633**	**389,789**
Equity attributable to the owners of the parent company	17,939	17,154	16,575
Capital securities	993	993	993
Equity attributable to non-controlling interests	5	6	17
Total equity	**18,937**	**18,152**	**17,584**
Total liabilities and equity	**394,482**	**426,786**	**407,373**

Main developments in total assets compared with 30 September 2016

Total assets decreased by EUR 32.3 billion to EUR 394.5 billion at 31 December 2016, due mainly to a seasonal decrease in securities financing assets and, to a lesser extent, derivative assets.

Financial assets held for trading decreased by EUR 2.3 billion to EUR 1.6 billion at 31 December 2016, chiefly due to a decrease in government bonds mainly related to primary dealerships.

Derivative assets went down by EUR 4.4 billion compared with 30 September 2016, mainly reflecting the impact of interest-related movements partly offset by FX-related movements.

Loans and receivables - customers

(in millions)	31 December 2016	30 September 2016	31 December 2015
Residential mortgages[1]	147,472	147,155	146,932
Consumer loans	12,539	14,436	15,147
Corporate loans to clients (excluding netting adjustment)[2]	82,640	81,048	78,195
Total client loans (excluding netting adjustment)[3]	**242,651**	**242,639**	**240,274**
Netting adjustment[1]	3,505	3,964	17,056
Total client loans[3]	**246,156**	**246,603**	**257,330**
Loans to professional counterparties	12,947	14,209	12,194
Other loans[4]	7,448	8,148	6,356
Total Loans and receivables - customers[3]	**266,551**	**268,961**	**275,881**
Fair value adjustments from hedge accounting	4,794	5,634	4,850
Less: loan impairment allowance	3,666	3,833	4,355
Total Loans and receivables - customers	**267,679**	**270,762**	**276,375**

1 For management view purposes, the historical periods before 31 December 2016 have not been adjusted for the revised accounting relating to the netting. Further details are provided in the Notes to the reader section of this report.
2 Corporate loans excluding loans to professional counterparties.
3 Gross carrying amount excluding fair value adjustment from hedge accounting.
4 Other loans consist of loans and receivables to government, official institutions and financial markets parties.

Loans and receivables - customers decreased by EUR 2.4 billion to EUR 266.6 billion at 31 December 2016.

Client loans (excluding netting adjustments) were flat at EUR 242.7 billion. Following the announcement in December on the intended sale of private banking activities in Asia and the Middle East, these client assets are classified as held for sale (other assets). This has an impact on client loans (loans and receivables - customers) of EUR 3.4 billion negative (EUR 1.6 billion negative consumer loans and EUR 1.8 billion negative corporate loans) on 31 December 2016.

Despite traditionally high redemptions in the final quarter of the year, the residential mortgage portfolio increased by EUR 0.3 billion. New mortgage production grew on the back of a further rise in housing transactions and housing prices. The market share in new production increased to 26%[1] in Q4 2016 compared with 23% in Q3 2016. Low interest rates on savings and enhanced awareness among homeowners of the possibility of residual debt are still incentives for extra repayments.

Corporate loans to clients (excluding netting adjustments) increased by EUR 1.6 billion to EUR 82.6 billion largely due to an increase in loans at International Clients (mainly ECT Clients).

Main developments in total liabilities compared with 30 September 2016

Total liabilities decreased by EUR 33.1 billion to EUR 375.5 billion at 31 December 2016, mainly in due to customers, securities financing liabilities and derivative liabilities.

Financial liabilities held for trading went down by EUR 1.8 billion due to lower short positions in bonds.

Derivative liabilities decreased by EUR 6.9 billion to EUR 14.5 billion at 31 December 2016, mainly reflecting the impact of interest-related movements partly offset by FX-related movements.

1 Source: Dutch Land Registry (Kadaster).

Due to customers

(in millions)	31 December 2016	30 September 2016	31 December 2015
Retail Banking	100,967	101,936	98,674
Private Banking	61,825	67,650	66,465
Corporate Banking (excluding netting adjustment)	60,653	64,954	62,850
Group Functions	1,808	3,588	2,308
Total Due to customers (excluding netting adjustment)	**225,253**	**238,127**	**230,296**
Netting adjustment[1]	3,505	3,964	17,056
Total Due to customers	**228,758**	**242,091**	**247,353**

[1] Netting adjustment details are provided in the Notes to the reader section of this report.

Due to customers (excluding the netting adjustments) decreased by EUR 12.9 billion to EUR 225.3 billion largely due to reclassification of the private banking activities in Asia and the Middle East to other liabilities, impacting due to customers by EUR 5.7 billion negative. The combined market share in retail deposits at Retail Banking and Private Banking in the Netherlands at 31 December 2016 came to 21%[1] stable compared with 30 September 2016.

Total equity rose by EUR 0.8 billion to EUR 18.9 billion at 31 December 2016, mainly due to the inclusion of the reported profit for the quarter and an increase in other comprehensive income.

Main developments in total assets and liabilities compared with 31 December 2015

Total assets decreased by EUR 12.9 billion to EUR 394.5 billion at 31 December 2016. Excluding the netting adjustments, total assets increased by EUR 0.7 billion. This was mainly due to an increase in loans and receivables - customers (adjusted for the private banking activities in Asia and the Middle East) and financial investments, partly offset by derivative assets and cash and balances with central banks.

Total liabilities decreased by EUR 14.2 billion to EUR 375.5 billion at 31 December 2016. Excluding the netting adjustments, total liabilities decreased by EUR 0.7 billion. This was mainly due to a decrease in derivative liabilities, partly offset by increased wholesale funding.

Total equity increased by EUR 1.4 billion to EUR 18.9 billion, mainly due to the inclusion of the reported profit for 2016, partly offset by dividend payments.

[1] Source: DNB

Results by segment

The results by segment section includes a discussion and analysis of the results of the financial condition of ABN AMRO Group at segment level for Q4 2016 compared with Q4 2015. A large part of the interest expenses and operating expenses incurred by Group Functions are allocated to the business lines through net interest income and other expenses, respectively.

Retail Banking

Operating results

(in millions)	Q4 2016	Q4 2015	Change	Q3 2016	Change	2016	2015	Change
Net interest income	819	805	2%	851	-4%	3,355	3,302	2%
Net fee and commission income	118	132	-11%	121	-2%	463	527	-12%
Other operating income	16	5		5		140	25	
Operating income	**953**	**941**	**1%**	**976**	**-2%**	**3,959**	**3,853**	**3%**
Personnel expenses	112	120	-7%	116	-3%	470	487	-3%
Other expenses	488	495	-2%	407	20%	1,741	1,619	8%
Operating expenses	**600**	**616**	**-3%**	**524**	**15%**	**2,211**	**2,106**	**5%**
Operating result	**353**	**325**	**8%**	**453**	**-22%**	**1,747**	**1,748**	
Impairment charges on loans and other receivables	14	9	58%	16	-12%	79	99	-20%
Operating profit/(loss) before taxation	**339**	**316**	**7%**	**436**	**-22%**	**1,669**	**1,649**	**1%**
Income tax expense	94	89	6%	108	-13%	422	423	
Underlying profit/(loss) for the period	**245**	**227**	**8%**	**328**	**-25%**	**1,247**	**1,226**	**2%**
Special items								
Reported profit/(loss) for the period	**245**	**227**	**8%**	**328**	**-25%**	**1,247**	**1,226**	**2%**

Retail Banking's **underlying profit for the period** amounted to EUR 245 million, up by EUR 18 million compared with Q4 2015. This increase was mainly the result of higher operating income and lower expenses, partly offset by slightly higher loan impairments. Underlying profit for the period decreased by EUR 83 million compared with Q3 2016, mainly due to the ICS provision and regulatory levies.

Net interest income, at EUR 819 million in Q4 2016, increased by EUR 14 million compared with Q4 2015. Higher interest income on mortgages and deposits was partly offset by lower interest income on consumer loans. Both quarters were negatively impacted by provisions of a similar size. In Q4 2016 a provision for ICS (EUR 47 million) was recorded, while Q4 2015 included a provision for Euribor mortgages (EUR 41 million).

Margins on residential mortgages improved compared with Q4 2015 as the impact of repricing of the mortgage book in recent years continued to benefit net interest income. Net interest income on consumer loans decreased due to lower average loan volumes and lower margins. Net interest income on deposits increased compared with Q4 2015 due to higher margins and higher average deposit volumes.

Net fee and commission income decreased by EUR 14 million compared with Q4 2015 mainly due to a reduction of fees charged for payment packages.

Personnel expenses decreased to EUR 112 million (EUR 120 million in Q4 2015). The number of FTEs of Retail Banking decreased in 2016 due to a further reduction of the number of branches and a transfer of employees and clients to Private Banking as the threshold for Private Banking was lowered in the Netherlands.

Other expenses amounted to EUR 488 million, a decrease of EUR 7 million compared with Q4 2015. This was mainly attributable to lower regulatory levies, which came to EUR 60 million in Q4 2016 (Q4 2015 EUR 87 million). Excluding the regulatory levies, other expenses increased by EUR 20 million, largely due to a provision for ICS (EUR 16 million).

Impairment charges on loans and other receivables amounted to EUR 14 million in Q4 2016, up by EUR 5 million compared with Q4 2015. Both quarters benefited from IBNI releases of EUR 13 million.

The Dutch economy continued to recover and confidence in the housing market improved further in 2016. As a result, impairment charges on mortgages were again limited. Consumer loans also benefited from further improved economic conditions, leading to limited impairment charges.

Other indicators

	Q4 2016	Q4 2015	Q3 2016	2016	2015
Underlying cost/income ratio	62.9%	65.4%	53.6%	55.9%	54.6%
Underlying cost of risk (in bps)[1, 2]	4	2	4	5	6

[1] Annualised impairment charges on loans and receivables - customers for the period divided by the average loans and receivables - customers on the basis of gross carrying amount and excluding fair value adjustment from hedge accounting.
[2] For management view purposes, the historical periods before 31 December 2016 have not been adjusted for the revised accounting relating to the netting. Further details are provided in the Notes to the reader section of this report.

	31 December 2016	30 September 2016	31 December 2015
Loan-to-Deposit ratio[1]	152%	148%	152%
Loans and receivables - customers (excluding netting adjustment, in billions)[1]	154.5	154.3	154.2
Due to customers (excluding IFRIC impact, in billions)[1]	101.0	101.9	98.7
Risk-weighted assets (risk exposure amount; in billions)	31.8	32.7	34.8
FTEs	5,266	5,291	5,844

[1] For management view purposes, the historical periods before 31 December 2016 have not been adjusted for the revised accounting relating to the netting. Further details are provided in the Notes to the reader section of this report.

Loans and receivables - customers grew to EUR 154.5 billion at 31 December 2016, of which EUR 144.5 billion for residential mortgages. Despite traditionally high redemptions in the final quarter of the year, the mortgage portfolio increased by EUR 0.4 billion compared with 30 September 2016. New mortgage production grew on the back of low mortgage interest rates, insufficient residential contruction activity and economic conditions. The market share in new production increased to 25.6%[1] in Q4 2016 compared with 23.1% in Q3 2016. Other redemptions remained high due to refinancing and relocation. Low interest rates on savings and enhanced awareness among homeowners of the possibility of residual debt are still incentives for extra repayments.

Due to customers decreased to EUR 101.0 billion at 31 December 2016, partly related to the transfer of clients to Private Banking.

Client Assets

(in billions)	31 December 2016	30 September 2016	30 June 2016
Cash	102.8	101.9	102.7
Securities	15.1	15.1	14.9
Total Client Assets	**117.9**	**117.0**	**117.6**

[1] Source: Dutch Land Registry (Kadaster)

Private Banking

Operating results

(in millions)	Q4 2016	Q4 2015	Change	Q3 2016	Change	2016	2015	Change
Net interest income	169	149	13%	159	6%	645	589	9%
Net fee and commission income	151	149	2%	142	7%	580	619	-6%
Other operating income	17	20	-15%	17	3%	89	101	-12%
Operating income	**338**	**318**	**6%**	**317**	**6%**	**1,315**	**1,310**	
Personnel expenses	127	119	7%	125	2%	501	501	
Other expenses	150	160	-6%	116	29%	544	549	-1%
Operating expenses	**277**	**279**	**-1%**	**241**	**15%**	**1,045**	**1,050**	
Operating result	**61**	**39**	**57%**	**76**	**-21%**	**269**	**260**	**4%**
Impairment charges on loans and other receivables	7	6	13%	1		20	-4	
Operating profit/(loss) before taxation	**54**	**33**	**65%**	**75**	**-28%**	**249**	**264**	**-5%**
Income tax expense	5	6	-17%	21	-76%	50	49	2%
Underlying profit/(loss) for the period	**49**	**26**	**84%**	**54**	**-10%**	**199**	**214**	**-7%**
Special items								
Reported profit/(loss) for the period	**49**	**26**	**84%**	**54**	**-10%**	**199**	**214**	**-7%**

Private Banking's **underlying profit for the period** almost doubled to EUR 49 million in Q4 2016. The increase was mainly due to higher operating income. The underlying profit was EUR 5 million below the level of Q3 2016.

Net interest income increased by EUR 20 million to EUR 169 million in Q4 2016. This was primarily due to higher margins on deposits.

Net fee and commission income increased by EUR 2 million to EUR 151 million in Q4 2016. The market environment improved in the fourth quarter, resulting in higher transaction volumes.

Personnel expenses increased by EUR 8 million compared with Q4 2015. The number of FTEs employed in Private Banking's domestic activities increased in 2016 due a transfer of employees from Retail Banking.

Other expenses came down by EUR 10 million compared with Q4 2015 due to lower regulatory levies and a decrease in project costs. Regulatory levies were EUR 2 million compared with EUR 7 million in Q4 2015. The increase in other expenses compared with Q3 2016 was mainly due to the settlement of an insurance claim in the previous quarter (EUR 24 million).

The **operating result** increased from EUR 39 million to EUR 61 million in Q4 2016. The underlying **cost/income ratio** for Private Banking came to 82.1%, an improvement of 5.8 percentage points compared with Q4 2015.

Other indicators

	Q4 2016	Q4 2015	Q3 2016	2016	2015
Underlying cost/income ratio	82.1%	87.9%	75.9%	79.5%	80.2%
Underlying cost of risk (in bps)[1]	17	14	3	13	-2
Gross margin on client assets (in bps)	67	64	65	67	65

[1] Annualised impairment charges on loans and receivables - customers for the period divided by the average loans and receivables - customers on the basis of gross carrying amount and excluding fair value adjustment from hedge accounting.

	31 December 2016	30 September 2016	31 December 2015
Loan-to-Deposit ratio	20%	24%	25%
Loans and receivables - customers (in billions)	12.1	15.9	16.6
Due to customers (in billions)	61.8	67.6	66.5
Risk-weighted assets (risk exposure amount; in billions)	7.7	7.9	8.2
FTEs	3,844	3,870	3,722

Loans and receivables - customers decreased to EUR 12.1 billion at 31 December 2016 compared with EUR 15.9 billion at 30 September 2016. Of this decrease, EUR 3.4 billion was related to the reclassification of the private banking activities in Asia and the Middle East to held for sale.

Due to customers was EUR 61.8 billion at 31 December 2016, a decline of EUR 5.8 billion compared with 30 September 2016. Of this decrease, EUR 5.7 billion was related to the reclassification of private banking activities in Asia and the Middle East to held for sale.

Client assets

(in billions)	Q4 2016	Q3 2016	Q2 2016
Opening balance Client Assets	**198.9**	**192.8**	**193.7**
Net new assets	0.2	1.3	0.2
Market performance	5.7	4.8	-1.0
Closing balance Client Assets	**204.9**	**198.9**	**192.8**
	31 December 2016	30 September 2016	30 June 2016
Breakdown by type			
Cash	67.6	67.8	66.7
Securities	137.2	131.1	126.0
- of which Custody	35.4	33.7	30.7
Total	**204.9**	**198.9**	**192.8**
Breakdown by geography			
The Netherlands	48%	47%	48%
Rest of Europe	44%	44%	44%
Rest of the world	9%	9%	8%

Client assets increased to EUR 204.9 billion at 31 December 2016 due to a positive market performance in Q4 2016. Total client assets includes EUR 17.9 billion related to the private banking portfolio in Asia and the Middle East (held for sale).

Net new assets (NNA)[1] in Q4 2016 amounted to EUR 0.2 billion positive. Of this amount, EUR 0.9 billion was due to internal client transfers from Retail Banking to Private Banking based on the lower threshold of EUR 500,000 in investable assets. The treshold in the Netherlands was recently lowered to open up services to a broader client group and to increase the market share further. Clients are gradually being transferred to Private Banking. This was mainly offset by outflow in several countries.

[1] Net new assets include client transfers from Retail Banking and referrals from Corporate Banking.

Corporate Banking

Operating results

(in millions)	Q4 2016	Q4 2015	Change	Q3 2016	Change	2016	2015	Change
Net interest income	591	545	9%	585	1%	2,280	2,142	6%
Net fee and commission income	186	186		185		751	751	
Other operating income	34	3		102	-67%	175	227	-23%
Operating income	**811**	**734**	**10%**	**872**	**-7%**	**3,207**	**3,120**	**3%**
Personnel expenses	179	166	8%	177	1%	680	676	1%
Other expenses	406	418	-3%	292	39%	1,316	1,264	4%
Operating expenses	**585**	**584**		**468**	**25%**	**1,995**	**1,940**	**3%**
Operating result	**226**	**151**	**50%**	**404**	**-44%**	**1,211**	**1,180**	**3%**
Impairment charges on loans and other receivables	23	109	-79%	6		31	419	-93%
Operating profit/(loss) before taxation	**203**	**42**		**397**	**-49%**	**1,180**	**762**	**55%**
Income tax expense	53	17		107	-50%	305	165	84%
Underlying profit/(loss) for the period	**150**	**24**		**290**	**-48%**	**876**	**596**	**47%**
Special items						-271		
Reported profit/(loss) for the period	**150**	**24**		**290**	**-48%**	**605**	**596**	**1%**

Corporate Banking's **underlying profit for the period** in Q4 2016 amounted to EUR 150 million (EUR 24 million in Q4 2015). This increase was due to higher operating income and lower impairment charges. Compared with Q3 2016, underlying profit for the period decreased by EUR 140 million.

Net interest income rose to EUR 591 million in Q4 2016 compared with EUR 545 million in Q4 2015. International Clients and Capital Markets Solutions posted increases, while Commercial Clients recorded a slight decrease.

Net interest income at Commercial Clients came to EUR 335 million (down EUR 5 million). This is due to an increase in the provision for SME derivatives-related issues (EUR 9 million) and was partly offset by better margins on loans and deposits.

Net interest income at International Clients grew by EUR 20 million, coming to EUR 196 million. This growth was achieved on the back of the increased loan portfolio at ECT Clients, mainly internationally.

Net interest income in Capital Markets Solutions came to EUR 60 million, up by EUR 31 million compared with Q4 2015, rising mainly at Sales & Trading (partly due to favourable one-offs as a result of collateral management).

Net fee and commission income amounted to EUR 186 million in Q4 2016 and was stable compared with Q4 2015. A decrease at International Clients was offset by an increase at Capital Markets Solutions.

Other operating income increased to EUR 34 million compared with EUR 3 million in Q4 2015. The increase was driven by lower additions to the provision for SME derivative-related issues (EUR 10 million in Q4 2016 versus EUR 75 million in Q4 2015) and higher CVA/DVA/FVA (EUR 25 million versus EUR 15 million in Q4 2015). This was to a large extent offset by lower Equity Participations results at International Clients (EUR 22 million negative versus EUR 30 million positive in Q4 2015).

Personnel expenses increased by EUR 13 million to EUR 179 million in Q4 2016. This was largely attributable to an increase in the number of FTEs compared with Q4 2015, mainly at International Clients and Capital Markets Solutions due to growth initiatives.

Other expenses came to EUR 406 million, down by EUR 12 million compared with Q4 2015. Regulatory levies in Q4 2016 were EUR 71 million lower (EUR 51 million versus EUR 122 million in Q4 2015). This was largely offset by a EUR 55 million provision at Capital Markets Solutions for SME derivative-related issues.

The **operating result** was EUR 226 million in Q4 2016, up by EUR 75 million compared with Q4 2015. The underlying **cost/income ratio** improved to 72.2% compared with 79.5% in Q4 2015.

Impairment charges on loans and other receivables decreased by EUR 86 million to EUR 23 million in Q4 2016 compared to Q4 2015.

Impairment charges in Commercial Clients were EUR 30 million lower and amounted to a release of EUR 27 million in Q4 2016. The IBNI release of EUR 9 million in Q4 2016 was lower than it was in Q4 2015 (EUR 35 million).

Loan impairments in International Clients were lower at EUR 50 million. EUR 24 million in IBNI releases were recorded in Q4 2016 compared with EUR 20 million in additions in Q4 2015. Impairment charges for ECT Clients remained stable at EUR 35 million (EUR 31 million in Q4 2015).

Other indicators

	Q4 2016	Q4 2015	Q3 2016	2016	2015
Underlying cost/income ratio	72.2%	79.5%	53.7%	62.2%	62.2%
Underlying cost of risk (in bps)[1, 2]	12	50	1	3	47

1 Annualised impairment charges on loans and receivables - customers for the period divided by the average loans and receivables - customers on the basis of gross carrying amount and excluding fair value adjustment from hedge accounting.
2 For management view purposes, the historical periods before 31 December 2016 have not been adjusted for the revised accounting relating to the netting. Further details are provided in the Notes to the reader section of this report.

	31 December 2016	30 September 2016	31 December 2015
Loan-to-Deposit ratio[1]	137%	125%	121%
Total client loans (excluding netting adjustment, in billions)[1]	75.2	71.5	68.3
Due to customers (excluding netting adjustment, in billions)[1]	60.7	65.0	62.9
Risk-weighted assets (risk exposure amount; in billions)	54.9	54.8	55.1
FTEs	5,138	5,113	4,959

1 For management view purposes, the historical periods before 31 December 2016 have not been adjusted for the revised accounting relating to the netting. Further details are provided in the Notes to the reader section of this report.

Total client loans (excluding notional cash pooling) increased to EUR 75.2 billion at 31 December 2016 compared with EUR 71.5 billion at 30 September 2016. The increase was mainly recorded at ECT Clients, due to a combination of an expanding client base, the appreciation of the dollar (EUR 0.8 billion) and higher commodity prices (EUR 2.6 billion impact).

Corporate Banking - Commercial Clients

Operating results

(in millions)	Q4 2016	Q4 2015	Change	Q3 2016	Change	2016	2015	Change
Net interest income	335	340	-2%	342	-2%	1,349	1,305	3%
Net fee and commission income	51	50	2%	50	2%	202	205	-2%
Other operating income	14	-9		8	80%	57	13	
Operating income	**401**	**381**	**5%**	**400**		**1,608**	**1,524**	**6%**
Operating expenses	**229**	**248**	**-8%**	**209**	**10%**	**859**	**861**	
Operating result	**172**	**133**	**29%**	**192**	**-10%**	**749**	**663**	**13%**
Impairment charges on loans and other receivables	-27	3		-29	5%	-179	213	
Operating profit/(loss) before taxation	**199**	**130**	**53%**	**220**	**-10%**	**928**	**450**	**106%**
Income tax expense	53	42	27%	55	-4%	234	121	94%
Underlying profit/(loss) for the period	**146**	**89**	**65%**	**165**	**-12%**	**694**	**329**	**111%**
Special items						-8		
Reported profit/(loss) for the period	**146**	**89**	**65%**	**165**	**-12%**	**686**	**329**	**109%**

Other indicators

	Q4 2016	Q4 2015	Q3 2016	2016	2015
Underlying cost/income ratio	57.1%	65.0%	52.2%	53.4%	56.5%
Underlying cost of risk (in bps)[1,2]	-28	3	-28	-46	53

[1] Annualised impairment charges on loans and receivables - customers for the period divided by the average loans and receivables - customers on the basis of gross carrying amount and excluding fair value adjustment from hedge accounting.
[2] For management view purposes, the historical periods before 31 December 2016 have not been adjusted for the revised accounting relating to the netting. Further details are provided in the Notes to the reader section of this report.

	31 December 2016	30 September 2016	31 December 2015
Total client loans (excluding netting adjustment, in billions)[1]	37.7	37.5	37.0
Due to customers (excluding netting adjustment, in billions)[1,2]	34.0	33.2	34.8
Risk-weighted assets (risk exposure amount; in billions)	20.6	21.2	21.5

[1] For management view purposes, the historical periods before 31 December 2016 have not been adjusted for the revised accounting relating to the netting. Further details are provided in the Notes to the reader section of this report.
[2] Due to customers included an internal transfer of deposits from Commercial Clients to Capital Markets Solutions (mainly Q1 2016).

Corporate Banking - International Clients

Operating results

(in millions)	Q4 2016	Q4 2015	Change	Q3 2016	Change	2016	2015	Change
Net interest income	196	176	12%	194	1%	744	709	5%
Net fee and commission income	58	66	-12%	57	1%	223	232	-4%
Other operating income	-20	31		27		9	104	-92%
Operating income	**234**	**272**	**-14%**	**278**	**-16%**	**976**	**1,044**	**-7%**
Operating expenses	**141**	**157**	**-10%**	**128**	**11%**	**516**	**522**	**-1%**
Operating result	**93**	**115**	**-19%**	**151**	**-39%**	**460**	**522**	**-12%**
Impairment charges on loans and other receivables	50	103	-51%	35	42%	211	191	11%
Operating profit/(loss) before taxation	**42**	**12**		**115**	**-63%**	**249**	**331**	**-25%**
Income tax expense	7	-5		28	-76%	53	40	34%
Underlying profit/(loss) for the period	**36**	**17**	**111%**	**88**	**-59%**	**196**	**292**	**-33%**
Special items								
Reported profit/(loss) for the period	**36**	**17**	**111%**	**88**	**-59%**	**196**	**292**	**-33%**

Other indicators

	Q4 2016	Q4 2015	Q3 2016	2016	2015
Underlying cost/income ratio	60.4%	57.8%	45.9%	52.8%	50.0%
Underlying cost of risk (in bps)[1, 2]	58	121	33	59	56

1 Annualised impairment charges on loans and receivables - customers for the period divided by the average loans and receivables - customers on the basis of gross carrying amount and excluding fair value adjustment from hedge accounting.
2 For management view purposes, the historical periods before 31 December 2016 have not been adjusted for the revised accounting relating to the netting. Further details are provided in the Notes to the reader section of this report.

	31 December 2016	30 September 2016	31 December 2015
Total client loans (excluding netting adjustment, in billions)[1]	37.5	34.0	31.3
Due to customers (excluding netting adjustment, in billions)[1, 2]	14.9	15.8	19.0
Risk-weighted assets (risk exposure amount; in billions)	24.4	22.8	22.6

1 For management view purposes the historical periods before 31 december 2016 have not been adjusted for the accounting policy change with regard to netting adjustment as a result of the IFRIC rejection notice issued on 6 April 2016. Further details are provided in the Notes to the reader of this report.
2 Due to Customers included an internal transfer of deposits from International Clients to Capital Markets Solutions (mainly Q1 2016).

Corporate Banking - Capital Markets Solutions
Operating results

(in millions)	Q4 2016	Q4 2015	Change	Q3 2016	Change	2016	2015	Change
Net interest income	60	29	109%	48	24%	186	127	46%
Net fee and commission income	77	71	8%	77	-1%	326	314	4%
Other operating income	40	-18		68	-41%	110	110	
Operating income	**176**	**82**	**116%**	**193**	**-9%**	**622**	**551**	**13%**
Operating expenses	**214**	**179**	**20%**	**131**	**63%**	**619**	**555**	**12%**
Operating result	**-38**	**-97**	**60%**	**62**		**3**	**-3**	
Impairment charges on loans and other receivables		4				-2	15	
Operating profit/(loss) before taxation	**-38**	**-101**	**62%**	**62**		**4**	**-18**	
Income tax expense	-6	-19	69%	25		18	6	
Underlying profit/(loss) for the period	**-32**	**-81**	**61%**	**37**		**-14**	**-24**	**42%**
Special items						-263		
Reported profit/(loss) for the period	**-32**	**-81**	**61%**	**37**		**-277**	**-24**	

Other indicators

	Q4 2016	Q4 2015	Q3 2016	2016	2015
Underlying cost/income ratio	121.8%	218.8%	68.0%	99.6%	100.6%
Underlying cost of risk (in bps)[1]	-1	13		-1	9

[1] Annualised impairment charges on loans and receivables - customers for the period divided by the average loans and receivables - customers on the basis of gross carrying amount and excluding fair value adjustment from hedge accounting.

	31 December 2016	30 September 2016	31 December 2015
Financial assets held for trading (in billions)	1.6	3.9	1.7
Loans and receivables - customers (in billions)	15.4	17.2	13.1
Financial liabilities held for trading (in billions)	0.8	2.6	0.5
Due to customers (in billions)[1]	11.7	16.0	9.1
Risk-weighted assets (risk exposure amount; in billions)	9.9	10.8	11.0

[1] Due to customers included an internal transfer of deposits from Commercial Clients to Capital Markets Solutions (mainly Q1 2016).

Group Functions

Operating results

(in millions)	Q4 2016	Q4 2015	Change	Q3 2016	Change	2016	2015	Change
Net interest income	-5	-2		-19	75%	-2	44	
Net fee and commission income	-15	-13	-10%	-11	-31%	-52	-68	23%
Other operating income	113	73	55%	86	31%	163	197	-17%
Operating income	**94**	**58**	**61%**	**56**	**67%**	**108**	**172**	**-37%**
Personnel expenses	359	234	53%	348	3%	1,125	828	36%
Other expenses	-115	-184	38%	-208	45%	-720	-695	-4%
Operating expenses	**244**	**49**		**139**	**75%**	**405**	**133**	
Operating result	**-151**	**9**		**-83**	**-81%**	**-297**	**39**	
Impairment charges on loans and other receivables	-9			-1		-15	-8	-89%
Operating profit before taxation	**-142**	**9**		**-82**	**-72%**	**-282**	**48**	
Income tax expense	-32	15		-17	-90%	-36	160	
Underlying profit/(loss) for the period	**-110**	**-6**		**-66**	**-67%**	**-245**	**-112**	**-119%**
Special items								
Reported profit/(loss) for the period	**-110**	**-6**		**-66**	**-67%**	**-245**	**-112**	**-119%**

The segment Group Functions consists of the departments Technology, Operations & Property Services (TOPS), Finance, Risk Management and People, Regulations & Identity (PR&I).

Group Functions' **underlying profit for the period** was EUR 110 million negative in Q4 2016 compared with a loss of EUR 6 million in Q4 2015.

Net interest income was EUR 5 million negative in Q4 2016, nearly flat compared with Q4 2015.

Net fee and commission income was EUR 15 million negative, which was EUR 2 million lower than in Q4 2015.

Other operating income was EUR 113 million positive, an increase of EUR 40 million compared with Q4 2015. This was mainly the result of higher hedge accounting-related results (EUR 79 million versus EUR 44 million in Q4 2015). No CVA/DVA results were recorded in 2016 (Q4 2015: EUR 5 million positive).

Personnel expenses went up by EUR 125 million to EUR 359 million in Q4 2016. This was due to a restructuring provision of EUR 177 million related to further digitalisation and process optimisation. Q4 2015 included a restructuring provision of EUR 29 million and a lower average number of FTEs.

Other expenses increased compared with Q4 2015. Q4 2016 included a EUR 27 million office space-related restructuring provision, whereas Q4 2015 included a release of the Deposit Guarantee Scheme provision for DSB (EUR 35 million). Neither of these provisions was allocated to the commercial segments.

Other indicators

	31 December 2016	30 September 2016	31 December 2015
Securities financing - assets	12.9	29.6	15.5
Loans and receivables - customers (in billions)	7.8	8.7	7.9
Securities financing - liabilities	10.5	26.2	10.2
Due to customers (in billions)	1.8	3.6	2.3
Risk-weighted assets (risk exposure amount; in billions)	9.8	9.9	9.9
FTEs	7,416	7,536	7,522

Additional financial information

Overview of results in the last five quarters

The following table provides an overview of the quarterly results.

(in millions)	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Net interest income	1,575	1,575	1,582	1,545	1,497
Net fee and commission income	440	437	431	435	454
Other operating income	180	210	188	-10	101
Operating income	**2,195**	**2,222**	**2,201**	**1,971**	**2,052**
Personnel expenses	777	765	617	617	640
Other expenses	929	607	643	702	889
Operating expenses	**1,706**	**1,372**	**1,260**	**1,319**	**1,528**
Operating result	**489**	**849**	**941**	**651**	**524**
Impairment charges on loans and other receivables	35	23	54	2	124
Operating profit/(loss) before taxation	**454**	**826**	**887**	**650**	**399**
Income tax expense	120	220	225	175	128
Underlying profit/(loss) for the period	**333**	**607**	**662**	**475**	**272**
Special items			-271		
Reported profit/(loss) for the period	**333**	**607**	**391**	**475**	**272**

To provide a better understanding of the underlying results, ABN AMRO adjusts reported results for defined special items and material divestments.

Special items are material and non-recurring items which are not related to normal business activities.

In Q2 2016, the addition to the provision for SMEs with derivative-related issues of EUR 361 million gross (EUR 271 million net of tax) was classified as a special item. This provision was taken based on ABN AMRO's decision to adhere to the advice of the committee of independent experts on the reassessment of SME interest rate derivatives.

Reconciliation from underlying to reported results

(in millions)	Q4 2016 Underlying	Q4 2016 Special items	Q4 2016 Reported	Q4 2015 Underlying	Q4 2015 Special items	Q4 2015 Reported	Q3 2016 Underlying	Q3 2016 Special items	Q3 2016 Reported
Net interest income	1,575		1,575	1,497		1,497	1,575		1,575
Net fee and commission income	440		440	454		454	437		437
Other operating income	180		180	101		101	210		210
Operating income	**2,195**		**2,195**	**2,052**		**2,052**	**2,222**		**2,222**
Personnel expenses	777		777	640		640	765		765
Other expenses	929		929	889		889	607		607
Operating expenses	**1,706**		**1,706**	**1,528**		**1,528**	**1,372**		**1,372**
Operating result	**489**		**489**	**524**		**524**	**849**		**849**
Impairment charges on loans and other receivables	35		35	124		124	23		23
Operating profit/(loss) before taxation	**454**		**454**	**399**		**399**	**826**		**826**
Income tax expense	120		120	128		128	220		220
Profit/(loss) for the period	**333**		**333**	**272**		**272**	**607**		**607**

(in millions)	2016 Underlying	2016 Special items	2016 Reported	2015 Underlying	2015 Special items	2015 Reported
Net interest income	6,277	-10	6,267	6,076		6,076
Net fee and commission income	1,743		1,743	1,829		1,829
Other operating income	568	-351	217	550		550
Operating income	**8,588**	**-361**	**8,227**	**8,455**		**8,455**
Personnel expenses	2,777		2,777	2,492		2,492
Other expenses	2,880		2,880	2,736		2,736
Operating expenses	**5,657**		**5,657**	**5,228**		**5,228**
Operating result	**2,931**	**-361**	**2,570**	**3,227**		**3,227**
Impairment charges on loans and other receivables	114		114	505		505
Operating profit/(loss) before taxation	**2,817**	**-361**	**2,456**	**2,722**		**2,722**
Income tax expense	740	-90	650	798		798
Profit/(loss) for the year	**2,076**	**-271**	**1,806**	**1,924**		**1,924**

Selected financial information

Condensed Consolidated income statement

(in millions)	Q4 2016	Q4 2015	Q3 2016
Income			
Interest income	3,198	3,178	3,082
Interest expense	1,624	1,681	1,507
Net interest income	**1,575**	**1,497**	**1,575**
Fee and commission income	779	772	763
Fee and commission expense	339	318	327
Net fee and commission income	**440**	**454**	**437**
Net trading income	64	-3	69
Share of result in equity accounted investments	23	-13	7
Other income	93	118	135
Operating income	**2,195**	**2,052**	**2,222**
Expenses			
Personnel expenses	777	640	765
General and administrative expenses	859	840	565
Depreciation and amortisation of tangible and intangible assets	70	49	42
Operating expenses	**1,706**	**1,528**	**1,372**
Impairment charges on loans and other receivables	35	124	23
Total expenses	**1,741**	**1,653**	**1,395**
Operating profit/(loss) before taxation	**454**	**399**	**826**
Income tax expense	120	128	220
Profit/(loss) for the period	**333**	**272**	**607**
Attributable to:			
Owners of the company	333	267	606
Non-controlling interests		5	

Condensed Consolidated statement of comprehensive income

(in millions)	Q4 2016	Q4 2015	Q3 2016
Profit/(loss) for the period	**333**	**272**	**607**
Other comprehensive income:			
Items that will not be reclassified to the income statement			
Remeasurement gains / (losses) on defined benefit plans	49	-1	-1
Items that will not be reclassified to the income statement before taxation	**49**	**-1**	**-1**
Income tax relating to items that will not be reclassified to the income statement	13	-2	
Items that will not be reclassified to the income statement after taxation	**36**	**2**	
Items that may be reclassified to the income statement			
(Un)realised gains/(losses) currency translation	83	44	-27
(Un)realised gains/(losses) available-for-sale	-34	97	35
(Un)realised gains/(losses) cash flow hedge	432	127	-25
Share of other comprehensive income of associates	36	5	2
Other changes			
Other comprehensive income for the period before taxation	**516**	**273**	**-15**
Income tax relating to items that may be reclassified to the income statement	103	56	1
Other comprehensive income for the period after taxation	**413**	**217**	**-16**
Total comprehensive income/(expense) for the period after taxation	**783**	**490**	**590**
Total comprehensive income attributable to:			
Owners of the company	783	486	590
- of which available for AT 1 capital securities	11	11	11
Non-controlling interests		5	

Condensed Consolidated statement of financial position

(in millions)	31 December 2016	31 December 2015
Assets		
Cash and balances at central banks	21,861	26,195
Financial assets held for trading	1,607	1,706
Derivatives	14,384	19,138
Financial investments	45,497	40,542
Securities financing	17,589	20,062
Loans and receivables - banks	13,485	15,680
Residential mortgages	152,069	151,543
Consumer loans	12,106	14,587
Corporate loans	96,058	103,889
Other loans and receivables - customers	7,445	6,357
Equity accounted investments	765	778
Property and equipment	1,418	1,366
Goodwill and other intangible assets	251	263
Assets held for sale	3,481	32
Tax assets	415	345
Other assets	6,050	4,893
Total assets	**394,482**	**407,373**
Liabilities		
Financial liabilities held for trading	791	459
Derivatives	14,526	22,425
Securities financing	11,625	11,372
Due to banks	13,419	14,630
Demand deposits	119,848	134,632
Saving deposits	92,740	94,005
Time deposits	16,169	18,555
Other due to customers		160
Issued debt	81,278	76,207
Subordinated liabilities	11,171	9,708
Provisions	1,672	1,256
Liabilities held for sale	5,667	
Tax liabilities	134	650
Other liabilities	6,503	5,729
Total liabilities	**375,544**	**389,789**
Equity		
Share capital	940	940
Share premium	12,970	12,970
Other reserves (incl retained earnings/profit for the period)	4,037	3,059
Other components of equity	-9	-394
Equity attributable to the owners of the parent company	**17,939**	**16,575**
Capital securities	993	993
Equity attributable to non-controlling interests	5	17
Total equity	**18,937**	**17,584**
Total liabilities and equity	**394,482**	**407,373**
Committed credit facilities	27,299	21,559
Guarantees and other commitments	15,873	13,868

Condensed Consolidated statement of changes in equity

(in millions)	Share capital	Share premium	Other reserves including retained earnings	Other compre-hensive income	Net profit/(loss) attributable to shareholders	Total	Capital securities	Non-con-trolling interests	Total equity
Balance at 1 January 2015	**940**	**12,970**	**635**	**-814**	**1,134**	**14,865**		**12**	**14,877**
Total comprehensive income			-4	420	1,919	2,335		5	2,340
Transfer			1,134		-1,134				
Dividend			-625			-625			-625
Increase/(decrease) of capital							993		993
Other changes in equity								-1	-1
Balance at 31 December 2015	**940**	**12,970**	**1,140**	**-394**	**1,919**	**16,575**	**993**	**17**	**17,584**
Balance at 1 January 2016	**940**	**12,970**	**1,140**	**-394**	**1,919**	**16,575**	**993**	**17**	**17,584**
Total comprehensive income				385	1,805	2,190		1	2,191
Transfer			1,919		-1,919				
Dividend			-790			-790		-12	-802
Interest AT 1 capital securities			-41			-41			-41
Other changes in equity			5			5			5
Balance at 31 December 2016	**940**	**12,970**	**2,233**	**-9**	**1,805**	**17,939**	**993**	**5**	**18,937**

Specification of other comprehensive income is as follows:

(in millions)	Remeasurement gains / (losses) on post-retirement benefit plans	Currency translation reserve	Available-for-sale reserve	Cash flow hedge reserve	Share of OCI of associates and joint ventures	Total
Balance at 1 January 2015	**-38**	**36**	**329**	**-1,223**	**82**	**-814**
Net gains/(losses) arising during the period	-6	101	206	190	11	502
Less: Net realised gains/(losses) included in income statement			17	-32		-15
Net gains/(losses) in equity	-6	101	189	222	11	517
Related income tax	-4		45	55		97
Balance at 31 December 2015	**-41**	**137**	**473**	**-1,056**	**93**	**-394**
Balance at 1 January 2016	**-41**	**137**	**473**	**-1,056**	**93**	**-394**
Net gains/(losses) arising during the period	38	31	234	297	31	630
Less: Net realised gains/(losses) included in income statement			122	13		136
Net gains/(losses) in equity	**38**	**31**	**112**	**284**	**31**	**495**
Related income tax	10	1	28	71		110
Balance at 31 December 2016	**-13**	**166**	**557**	**-843**	**124**	**-9**

Risk, funding & capital information

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Key developments

Key figures

(in millions)	31 December 2016	30 September 2016	31 December 2015
Total loans and receivables - customers, gross excluding Fair value adjustments[1,2]	266,551	268,961	275,881
Of which Residential mortgages[1]	149,255	148,879	148,465
Of which Consumer loans	12,539	14,436	15,147
Of which Corporate loans[2]	90,920	91,201	100,387
Of which Other loans and receivables - customers	13,838	14,444	11,881
Total Exposure at Default (EAD)	383,118	379,668	369,169
Total RWA (REA)/total EAD	27.2%	27.7%	29.3%
Regulatory capital			
Total RWA (REA)	104,215	105,318	108,001
Of which Credit risk[3]	83,140	84,155	86,063
Of which Operational risk	17,003	17,003	16,227
Of which Market risk	4,072	4,160	5,710
Fully-loaded CET1 ratio	17.0%	16.6%	15.5%
Fully-loaded leverage ratio	3.9%	3.7%	3.8%
Credit quality indicators			
Forbearance ratio[4]	3.3%	3.3%	3.8%
Past due ratio[4,5]	1.4%	1.4%	1.5%
Impaired ratio[4,5]	3.3%	3.5%	3.3%
Coverage ratio[4,5]	38.4%	38.0%	43.1%
Liquidity and funding indicators			
Loan-to-Deposit ratio	112.7%	107.2%	108.6%
LCR	>100%	>100%	>100%
NSFR	>100%	>100%	>100%

1 Netting is no longer be applied to bank saving mortgages, hence the bank saving mortgages are presented gross. Comparative figures have been adjusted accordingly. Further details are provided in the Notes to the reader section of this report.
2 ABN AMRO amended its offsetting policy in Q2 2016. The year-end 2015 figures have been adjusted accordingly.
3 RWA (REA) for credit value adjustment (CVA) is included in credit risk. CVA at 31 December 2016 was EUR 0.8 billion (30 September 2016 EUR 1.0 billion; 31 December 2015 EUR 1.1 billion).
4 Loans and receivables - customers only.
5 As of 30 September 2016 ABN AMRO aligned the definition of default and impaired. Comparative figures have been adjusted excluding the reclassification in allowances for impairments within residential mortgages. For more information on the reclassification in allowances refer to the residential mortgages section.

	Q4 2016	Q4 2015	Q3 2016	2016	2015
Underlying Cost of risk (in bps)[1,2]	6	17	3	4	17

1 Annualised impairment charges on loans and receivables - customers for the period divided by the average loans and receivables - customers on the basis of gross carrying amount and excluding fair value adjustment from hedge accounting.
2 ABN AMRO amended its offsetting policy in Q2 2016. The year-end 2015 figures have been adjusted accordingly.

Fourth-quarter developments

Economy

2016 was a fairly calm year for the global economy. The Dutch economy grew by around 2%[1], matching the growth recorded in 2015. Both years saw growth in all areas of spending. Although global trade did not grow spectacularly, Dutch exports did well. Household consumption rose by around 1.5%[1], which is not surprising considering the significant improvement in purchasing power in 2016. The increase in the number of employed people also stimulated consumption. The housing market continued its powerful upward spiral.

Portfolio review

The residential mortgages portfolio increased to EUR 149.3 billion at 31 December 2016 (30 September 2016: EUR 148.9 billion) as a result of substantially increased new mortgage production partly offset by extra repayments. The decline in consumer loans to EUR 12.5 billion at 31 December 2016 (30 September 2016: EUR 14.4 billion) was mainly the result of the reclassification of the private banking activities in Asia and the Middle East from consumer loans to assets held for sale. Corporate loans declined to EUR 90.9 billion at 31 December 2016 (30 September 2016: EUR 91.2 billion). This decline was the combined effect of the reclassification of the private banking activities and new offsetting agreements in Q4 2016, partly offset by an increase resulting from growth in Large Corporates and ECT Clients. Other loans and receivables declined to EUR 13.8 billion (30 September: EUR 14.4 billion)

Regulatory capital

EAD increased to EUR 383.1 billion (30 September 2016: EUR 379.7 billion). Total RWA (REA) decreased to EUR 104.2 billion at 31 December 2016 (30 September 2016: EUR 105.3 billion) and was almost fully attributable to credit risk. The decline was mainly the result of developments within Retail Banking related to higher collateral values and, to a lesser extent, improved credit quality, partly offset by an increase due to model changes. In addition, the RWA (REA) rose due to higher business volume related to Corporate Banking (driven by Large Corporates and ECT Clients within International Clients), partly offset by Private Banking and Group Functions.

Credit quality indicators

The forbearance ratio and past due ratio remained stable in Q4 2016. The improved economic conditions are reflected in the development of the impaired ratio, which improved to 3.3%. This was mainly due to improvements in the corporate loan portfolio within Commercial Clients partly offset by developments within International Clients. The coverage ratio remained relatively stable.

Cost of risk

Total on-balance impairment charges decreased sharply to EUR 36 million in Q4 2016 (Q4 2015: EUR 123 million). This decline reflects the continued improvement of the Dutch economy. Impairment charges were largely impacted by a decline in Corporate Banking mainly related to lower additions within Commercial Clients. As a result, cost of risk declined to 6bps in Q4 2016 (Q4 2015: 17bps).

Developments over the full year

Portfolio review

The residential mortgages portfolio grew to EUR 149.3 billion at 31 December 2016 (31 December 2015: EUR 148.5 billion) due to a rise in new mortgage production partly offset by redemptions. Consumer loans declined to EUR 12.5 billion at year-end 2016 (31 December 2015: EUR 15.1 billion) as a result of a lower volume of client lending and reclassification of the private banking activities in Asia and the Middle East from consumer loans to assets held for sale. Corporate loans decreased to EUR 90.9 billion at year-end 2016 (31 December 2015: EUR 100.4 billion). This decline was primarily due to the amendment made to the new offsetting policy on notional cash pooling implemented in Q2 2016. This amendment led to an increase in corporate loans and inflated the balance sheet. Following the adjustment to the policy, mitigating actions were taken to reduce the impact. As a result, the carrying amount has been reduced significantly (impact of EUR 1.7 billion at 31 December 2016 compared with EUR 15.5 billion at 31 December 2015). In addition, corporate loans decreased due to reclassification of the private banking activities in Asia and the Middle East, partly offset by increases due to ECT Clients.

[1] Source: CBS

Regulatory capital
EAD increased to EUR 383.1 billion at year-end 2016 (31 December 2015: EUR 369.2 billion) driven by higher business volume within Corporate Banking, mainly related to Large Corporates and ECT Clients within International Clients.

Total RWA (REA) decreased to EUR 104.2 billion at 31 December 2016 (31 December 2015: EUR 108.0 billion), mainly driven by credit risk and, to a lesser extent, market risk. The decrease was partly offset by operational risk.

Credit risk RWA (REA) declined on the back of Retail Banking, due mainly to higher collateral values and, to lesser extent, improved credit quality, partly offset by an increase due to model changes. Private Banking decreased as a result of lower business volume. The decrease in credit risk RWA (REA) was partly offset by an increase in Corporate Banking as a result of increased business volume mainly related to ECT Clients within International Clients.

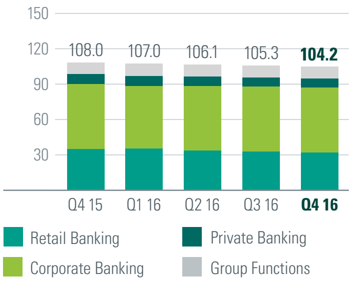
The decrease in RWA (REA) for market risk was mainly the result of the use of the Internal Model Approach (IMA) as from 1 January 2016. The decrease was partly offset by the effect of negative interest rates on our regulatory capital models, reflecting the fact that the models for interest rate options were overly conservative. Improved valuation models have been developed and implemented, which will significantly lower the RWA figures for market risk.

Credit quality indicators
Overall the credit quality indicators improved as a result of improved economic conditions.

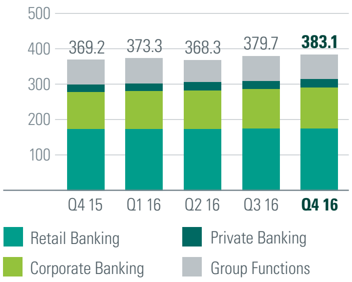
Cost of risk
Total on-balance impairment charges decreased sharply to EUR 115 million in 2016 (2015: EUR 502 million). This decline was mainly the result of significantly lower additions and higher releases within Commercial Clients as a result of the improvement of the Dutch economy, partly offset by additions within International Clients related to ECT Clients. As a result, the cost of risk dropped to a historically low 4bps for full-year 2016 (2015: 17bps).

Quarterly developments

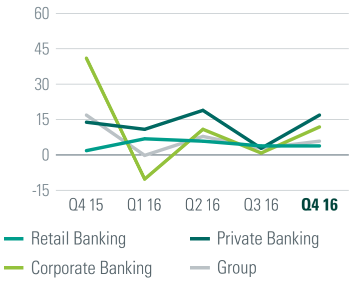
RWA (REA) per business segment
(end-of-period, in billions)



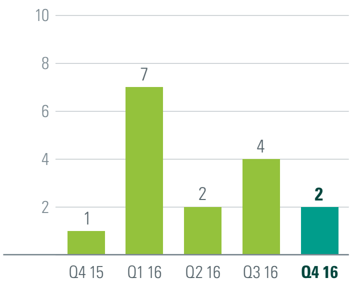
EAD per business segment
(end-of-period, in billions)



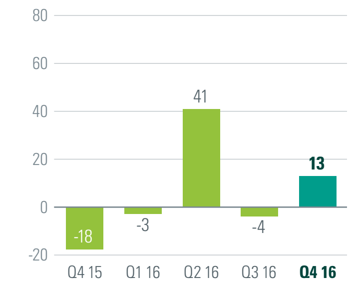
Cost of risk per business segment[1,2]
(end-of-period, in bps)



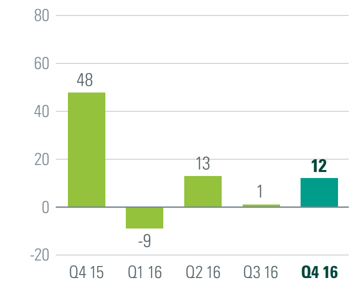
Underlying cost of risk per product[1]
Residential mortgages (in bps)[4]



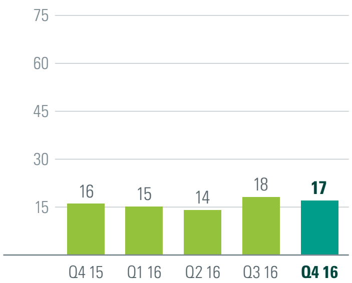
Consumer loans (in bps)



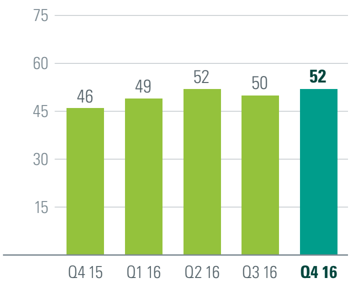
Corporate loans (in bps)[2]



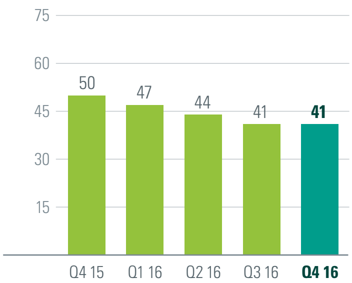
Coverage ratio[3]
Residential mortgages (in %)



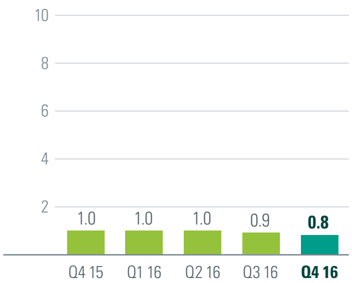
Consumer loans (in %)



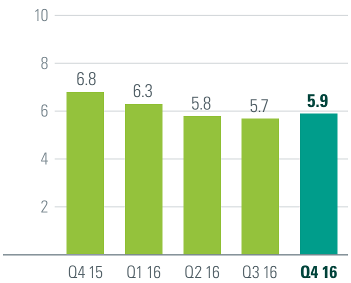
Corporate loans (in %)[2]



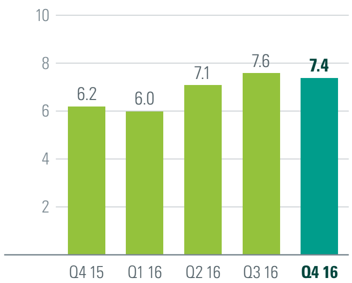
Impaired ratio[3]
Residential mortgages (in %)[4]



Consumer loans (in %)



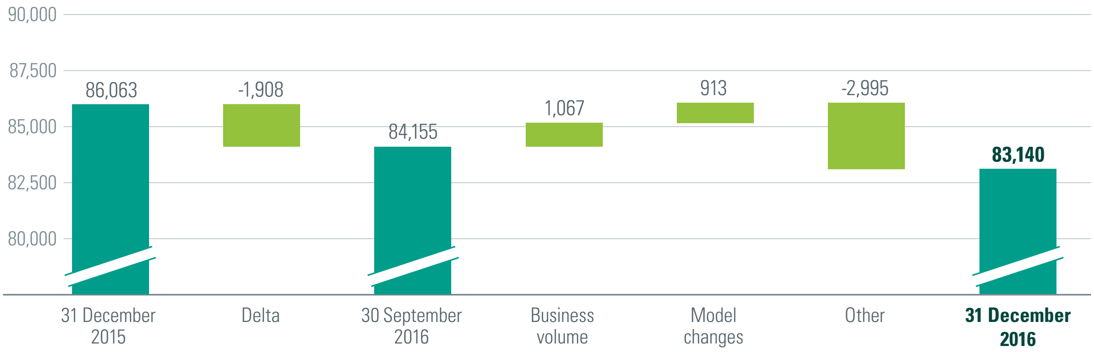
Corporate loans (in %)[2]



1 Annualised impairment charges on Loans and receivables – customers for the period divided by average Loans and receivables – customers excluding fair value adjustments for hedge accounting.
2 ABN AMRO amended its offsetting policy in Q2 2016. The year-end 2015 figures have been adjusted accordingly.
3 As of 30 September 2016 ABN AMRO aligned the definition of default and impaired. For comparison reasons the historical periods before 30 September 2016 have been adjusted excluding the reclassification in allowances for impairments within residential mortgages. For more information on the reclassification in allowances refer to the residential mortgages section.
4 Netting for bank saving mortgages is no longer applied, hence the bank saving mortgages are presented gross. Comparing figures have been adjusted accordingly.

Credit risk

RWA (REA) flow statement credit risk
(in millions)



RWA (REA) decreased to EUR 83.1 billion at 31 December 2016 (30 September 2016: EUR 84.2 billion). This decrease was mainly the result of lower RWA (REA) within Retail Banking as a result of higher collateral values and, to lesser extent, improved credit quality. The decrease was partly offset by an increase following from model changes within Retail Banking.

Reporting scope risk

The table below provides an overview of the figures reported in the condensed consolidated balance sheet (net) and the figures reported in the credit risk section (gross).

(in millions)	31 December 2016			30 September 2016			31 December 2015		
	Gross carrying amount	Loan impairment allowance	Carrying amount	Gross carrying amount	Loan impairment allowance	Carrying amount	Gross carrying amount	Loan impairment allowance	Carrying amount
Loans and receivables - banks	**13,488**	**3**	**13,485**	**15,679**	**7**	**15,672**	**15,682**	**2**	**15,680**
Residential mortgages[1]	152,328	258	152,069	152,333	278	152,054	151,866	324	151,543
Less: Fair value adjustment from hedge accounting on residential mortgages	3,073		3,073	3,453		3,453	3,401		3,401
Residential mortgages, excluding fair value adjustments[1]	**149,255**	**258**	**148,997**	**148,879**	**278**	**148,601**	**148,465**	**324**	**148,142**
Consumer loans	**12,539**	**433**	**12,106**	**14,436**	**472**	**13,964**	**15,147**	**561**	**14,587**
Corporate loans[2]	92,641	2,895	89,746	93,382	2,995	90,387	101,835	3,380	98,454
Less: Fair value adjustment from hedge accounting on corporate loans	1,722		1,722	2,181		2,181	1,448		1,448
Corporate loans, excluding fair value adjustments[2]	**90,920**	**2,895**	**88,025**	**91,201**	**2,995**	**88,206**	**100,387**	**3,380**	**97,007**
Other loans and receivables - customers[3]	13,838	81	13,757	14,444	87	14,357	11,882	90	11,792
Less: Fair value adjustment from hedge accounting on other loans and receivables - customers							1		1
Other loans and receivables - customers, excluding fair value adjustments[3]	**13,838**	**81**	**13,757**	**14,444**	**87**	**14,357**	**11,881**	**90**	**11,791**
Total loans and receivables - customers, excluding fair value adjustments	**266,551**	**3,666**	**262,884**	**268,961**	**3,833**	**265,128**	**275,881**	**4,355**	**271,525**
Fair value adjustments on Loans and receivables - customers	4,794		4,794	5,634		5,634	4,850		4,850
Total loans and receivables - customers	**271,345**	**3,666**	**267,679**	**274,595**	**3,833**	**270,762**	**280,730**	**4,355**	**276,375**
Total loans and receivables, excluding fair value adjustments	**280,039**	**3,669**	**276,369**	**284,639**	**3,840**	**280,800**	**291,563**	**4,357**	**287,205**
Total fair value adjustments on Loans and receivables	4,794		4,794	5,634		5,634	4,850		4,850
Total loans and receivables[2]	**284,833**	**3,669**	**281,164**	**290,274**	**3,840**	**286,434**	**296,412**	**4,357**	**292,055**
Other			113,318			140,351			115,318
Total assets[3]			**394,482**			**426,786**			**407,373**

[1] Netting is no longer be applied to bank saving mortgages, hence the bank saving mortgages are presented gross. Comparative figures have been adjusted accordingly. Further details are provided in the Notes to the reader section of this report.
[2] ABN AMRO amended its offsetting policy in Q2 2016. The year-end 2015 figures have been adjusted accordingly.
[3] Other loans and receivables - customers consists of government and official institutions, financial lease receivables and factoring.

Credit risk mitigation

Collateral & guarantees received as security as at 31 December 2016

31 December 2016								
		Collateral received						
(in millions)	Carrying amount	Master netting agreement[3]	Financial instruments	Property & equipment	Other collateral and guarantees	Total risk mitigation	Surplus collateral[4]	Net exposure[5]
Loans and receivables - banks	**13,485**	**4,223**	**1,134**		**146**	**5,502**	**1,134**	**9,117**
Loans and receivables - customers								
Residential mortgages[1]	148,997		2,047	180,013	6,279	188,339	50,979	11,637
Consumer loans[1]	12,106		3,381	5,028	27	8,436	3,583	7,253
Corporate loans[1]	88,025	3,086	28,136	43,807	15,225	90,253	25,591	23,363
Other loans and receivables - customers[1,2]	13,757	684	3,430	3,232	1,108	8,454	1,144	6,447
Fair value adjustment from hedge accounting	4,794							4,794
Total Loans and receivables - customers	**267,679**	**3,770**	**36,993**	**232,080**	**22,639**	**295,482**	**81,298**	**53,494**
Total Loans and receivables	**281,164**	**7,992**	**38,127**	**232,080**	**22,785**	**300,984**	**82,431**	**62,611**

1 Carrying amount includes loan impairment allowances.
2 Other loans and receivables - customers consists of government and official institutions, financial lease receivables and factoring.
3 The master netting agreement amount presents legal netting rights and cash collateral.
4 Surplus collateral is the amount of over-collateralisation, calculated on an individual basis.
5 Net exposure represents the portfolio corrected for the surplus amount and gives a view of the potential shortfall in collateral on the total portfolio.

Collateral & guarantees received as security as at 30 September 2016

30 September 2016								
		Collateral received						
(in millions)	Carrying amount	Master netting agreement[4]	Financial instruments	Property & equipment	Other collateral and guarantees	Total risk mitigation	Surplus collateral[5]	Net exposure[6]
Loans and receivables - banks	**15,672**	**7,501**	**1,907**		**57**	**9,466**	**1,565**	**7,771**
Loans and receivables - customers								
Residential mortgages[1,2]	148,601		1,972	175,665	6,945	184,582	49,010	13,029
Consumer loans[1]	13,964		6,241	5,309	30	11,581	4,844	7,227
Corporate loans[1]	88,206	3,882	31,707	42,521	13,600	91,711	25,719	22,213
Other loans and receivables - customers[1,3]	14,357	936	3,253	3,202	1,232	8,623	902	6,637
Fair value adjustment from hedge accounting	5,634							5,634
Total Loans and receivables - customers[2]	**270,762**	**4,818**	**43,173**	**226,697**	**21,807**	**296,496**	**80,475**	**54,741**
Total Loans and receivables[2]	**286,434**	**12,320**	**45,081**	**226,697**	**21,864**	**305,962**	**82,039**	**62,512**

1 Carrying amount includes loan impairment allowances.
2 Netting is no longer be applied to bank saving mortgages, hence the bank saving mortgages are presented gross. Comparative figures have been adjusted accordingly. Further details are provided in the Notes to the reader section of this report.
3 Other loans and receivables - customers consists of government and official institutions, financial lease receivables and factoring.
4 The master netting agreement amount presents legal netting rights and cash collateral.
5 Surplus collateral is the amount of over-collateralisation, calculated on an individual basis.
6 Net exposure represents the portfolio corrected for the surplus amount and gives a view of the potential shortfall in collateral on the total portfolio.

Collateral & guarantees received as security as at 31 December 2015

								31 December 2015
		Collateral received						
(in millions)	Carrying amount	Master netting agreement[6]	Financial instruments	Property & equipment	Other collateral and guarantees	Total risk mitigation	Surplus collateral[7]	Net exposure[8]
Loans and receivables - banks	**15,680**	**7,282**	**1,742**		**4**	**9,027**	**1,332**	**7,984**
Loans and receivables - customers								
Residential mortgages[1, 2, 3]	148,142		1,693	170,418	7,887	179,999	45,877	14,020
Consumer loans[1, 2]	14,587		6,474	5,419	53	11,946	4,540	7,181
Corporate loans[1, 4]	97,007	3,920	45,243	42,594	13,006	104,763	24,891	17,135
Other loans and receivables - customers[1, 5]	11,791	748	2,590	3,006	1,406	7,750	842	4,883
Fair value adjustment from hedge accounting	4,850							4,850
Total Loans and receivables - customers[3, 4]	**276,375**	**4,668**	**56,001**	**221,437**	**22,352**	**304,458**	**76,151**	**48,068**
Total Loans and receivables[3, 4]	**292,055**	**11,950**	**57,742**	**221,437**	**22,356**	**313,485**	**77,483**	**56,053**

1 Carrying amount includes loan impairment allowances.
2 The allocation of collateral values for residential mortgages has been revised in 2016. The year-end 2015 figures have been adjusted for comparison purposes.
3 Netting is no longer be applied to bank saving mortgages, hence the bank saving mortgages are presented gross. Comparative figures have been adjusted accordingly. Further details are provided in the Notes to the reader section of this report.
4 ABN AMRO amended its offsetting policy in Q2 2016. The year-end 2015 figures have been adjusted accordingly.
5 Other loans and receivables - customers consists of government and official institutions, financial lease receivables and factoring.
6 The master netting agreement amount presents legal netting rights and cash collateral.
7 Surplus collateral is the amount of over-collateralisation, calculated on an individual basis.
8 Net exposure represents the portfolio corrected for the surplus amount and gives a view of the potential shortfall in collateral on the total portfolio.

Fourth-quarter developments

Total net exposure of total loans and receivables - customers declined to EUR 53.5 billion at 31 December 2016 (30 September 2016: EUR 54.7 billion). This was mainly accountable to residential mortgages offset by corporate loans.

The net exposure of residential mortgages decreased by EUR 1.4 billion, arriving at EUR 11.6 billion at 31 December 2016. This was mainly the result of an increase in property & equipment following from increased housing prices.

The total risk mitigation for consumer loans decreased by EUR 3.2 billion, mainly due to the reclassification of the bank's Private Banking operations in Asia and the Middle East from consumer loans to assets held for sale. The reclassification had limited impact on the net exposure.

The net exposure of corporate loans increased to EUR 23.4 billion at 31 December 2016 (30 September 2016: EUR 22.2 billion). The increase was mainly accountable to higher exposure levels for large corporate and investment grade ECT Commodities Clients. These clients generally have a low risk profile, and it is common practice for them to have non-collateralised loans. The increase was partially offset as a result of improved collateral reporting.

Developments over the full year

Total net exposure of total loans and receivables - customers increased to EUR 53.5 billion at 31 December 2016 (31 December 2015: EUR 48.1 billion). This was mainly due to increased net exposure in corporate loans and other loans and receivables-customers, partially offset by residential mortgages.

The net exposure of residential mortgages significantly decreased, arriving at EUR 11.6 billion at 31 December 2016 (31 December 2015: EUR 14.0 billion). This was the result of an increase in property & equipment resulting from a rise in housing prices.

The total risk mitigation for consumer loans decreased by EUR 3.5 billion, mainly due to the reclassification of the bank's Private Banking operations in Asia and the Middle East from consumer loans to assets held for sale. The reclassification had limited impact on the net exposure.

Corporate loans showed a strong decrease in financial instruments to EUR 28.1 billion at 31 December 2016 (31 December 2015: EUR 45.2 billion). The strong decline was mainly accountable to the modification of the offsetting policy in Q2 2016 (impact of EUR 1.7 billion at 31 December 2016, compared with EUR 15.5 billion at 31 December 2015). The net exposure increased to EUR 23.4 billion at 31 December 2016 (31 December 2015: EUR 17.1 billion). This was primarily due to higher exposure levels within International Clients relating to large corporate and investment grade Commodities Clients. These clients generally have a low risk profile, and it is common practice for them to have non-collateralised loans.

The net exposure of other loans and receivables – customers increased to EUR 6.4 billion (31 December 2015: EUR 4.9 billion), mainly due to Clearing activities.

Management of forborne, past due and impaired loans

Forborne loans

The following table provides an overview of forborne assets, broken down into performing and non-performing assets, specified by type of forbearance measure.

Clients (potentially) in financial difficulty, for whom contract amendments have been made since 1 January 2012 that are considered concessions on the part of the bank, are accounted for as forborne assets. Contracts that were in a recovery phase at the reporting date are not considered forborne.

Overview forbearance as at 31 December 2016

											31 December 2016
		Performing assets[3]				Non-performing assets[3]				Total	
(in millions)	Gross carrying amount	Temporary modification	Permanent modification	Refinancing	Total	Temporary modification	Permanent modification	Refinancing	Total	Total forborne assets	Forbearance ratio
Loans and receivables - banks	**13,488**										**0.0%**
Loans and receivables - customers											
Residential mortgages[1]	149,255	817	12	107	936	208	7	23	237	1,173	0.8%
Consumer loans[1]	12,539	127	35	122	283	91	11	134	237	519	4.1%
Corporate loans[1]	90,920	1,554	1,207	817	3,578	625	1,234	1,222	3,080	6,658	7.3%
Other loans and receivables - customers[1,2]	13,838	121	117	2	240	54	62	2	119	359	2.6%
Total Loans and receivables - customers[1]	**266,551**	**2,618**	**1,370**	**1,048**	**5,037**	**978**	**1,314**	**1,381**	**3,673**	**8,710**	**3.3%**
Total[1]	**280,039**	**2,618**	**1,370**	**1,048**	**5,037**	**978**	**1,314**	**1,381**	**3,673**	**8,710**	**3.1%**

1 Gross carrying amount excludes fair value adjustments from hedge accounting.
2 Other loans and receivables - customers consists of government and official institutions, financial lease receivables and factoring.
3 For reporting purposes, the classification of (non-)performing forborne assets is based on the impaired status of the client.

Overview forbearance as at 30 September 2016

											30 September 2016
		Performing assets[4]				Non-performing assets[5]				Total	
(in millions)	Gross carrying amount	Temporary modification	Permanent modification	Refinancing	Total	Temporary modification	Permanent modification	Refinancing	Total	Total forborne assets	Forbearance ratio
Loans and receivables - banks	**15,679**										**0.0%**
Loans and receivables - customers											
Residential mortgages[1,2]	148,879	846	16	132	994	197	7	20	224	1,219	0.8%
Consumer loans[1,3]	14,436	125	44	116	284	115	11	146	273	557	3.9%
Corporate loans[1]	91,201	1,497	1,174	902	3,573	675	986	1,536	3,197	6,770	7.4%
Other loans and receivables - customers[1,4]	14,444	101	84	2	186	71	46	2	120	306	2.1%
Total Loans and receivables - customers[1,2]	**268,961**	**2,569**	**1,318**	**1,152**	**5,038**	**1,059**	**1,051**	**1,704**	**3,814**	**8,852**	**3.3%**
Total[1,2]	**284,639**	**2,569**	**1,318**	**1,152**	**5,038**	**1,059**	**1,051**	**1,704**	**3,814**	**8,852**	**3.1%**

1 Gross carrying amount excludes fair value adjustments from hedge accounting.
2 Netting is no longer be applied to bank saving mortgages, hence the bank saving mortgages are presented gross. Comparative figures have been adjusted accordingly. Further details are provided in the Notes to the reader section of this report.
3 Within consumer loans a reclassification was made from performing refinancing to non-performing refinancing. Comparative figures before 30 September 2016 have been adjusted (30 June 2016 EUR 106 milion, 31 December 2015 EUR 132 million).
4 Other loans and receivables - customers consists of government and official institutions, financial lease receivables and factoring.
5 For reporting purposes, performing is considered as non-default and non-performing is considered as default.

Overview forbearance as at 31 December 2015

											31 December 2015
		Performing assets[6]				Non-performing assets[7]				Total[7]	
(in millions)	Gross carrying amount	Temporary modification	Permanent modification	Refinancing	Total	Temporary modification	Permanent modification	Refinancing	Total	Total forborne assets	Forbearance ratio
Loans and receivables - banks	**15,682**										**0.0%**
Loans and receivables - customers											
Residential mortgages[1,2]	148,465	1,122	23	204	1,349	354	14	39	408	1,757	1.2%
Consumer loans[1,3]	15,147	174	77	42	293	105	72	179	355	648	4.3%
Corporate loans[1,4]	100,387	2,074	1,533	1,496	5,102	634	938	1,041	2,613	7,715	7.7%
Other loans and receivables - customers[1,5]	11,881	110	39		148	109	124	2	235	383	3.2%
Total Loans and receivables - customers[1,2,4]	**275,881**	**3,481**	**1,671**	**1,741**	**6,893**	**1,202**	**1,148**	**1,262**	**3,611**	**10,504**	**3.8%**
Total[1,4]	**291,563**	**3,481**	**1,671**	**1,741**	**6,893**	**1,202**	**1,148**	**1,262**	**3,611**	**10,504**	**3.6%**

1 Gross carrying amount excludes fair value adjustments from hedge accounting.
2 Netting is no longer be applied to bank saving mortgages, hence the bank saving mortgages are presented gross. Comparative figures have been adjusted accordingly. Further details are provided in the Notes to the reader section of this report.
3 Within consumer loans a reclassification was made from performing refinancing to non-performing refinancing. Comparative figures before 30 September 2016 have been adjusted (30 June 2016 EUR 106 milion, 31 December 2015 EUR 132 million).
4 ABN AMRO amended its offsetting policy in Q2 2016. The year-end 2015 figures have been adjusted accordingly.
5 Other loans and receivables - customers consists of government and official institutions, financial lease receivables and factoring.
6 For reporting purposes, performing is considered as non-default and non-performing is considered as default.
7 As of 31 March 2016, contracts can discontinue the forborne status as a result of passing the probation period (i.e. ceased to be forborne). Ceased to forborne contracts are still included in the year-end 2015 figures.

Fourth-quarter developments

The total forborne portfolio decreased slightly to EUR 8.7 billion at 31 December 2016 (30 September 2016: EUR 8.9 billion). This decline was mainly accountable to developments within the corporate loans portfolio.

Forborne corporate loans decreased slightly to EUR 6.7 billion at 31 December 2016 (30 September 2016: EUR 6.8 billion). This decline was observed mainly in the non-performing forborne portfolio with refinancing measures. Transfers to recovery, partial repayment on forborne exposures, and transfers to the performing portfolio contributed equally to this decline. The decrease was partly offset by an increase in the non-performing forborne portfolio with permanent measures, mainly as a result of new forborne clients, primarily related to the oil and gas industry.

Developments over the full year

The total forborne portfolio decreased to EUR 8.7 billion at year-end 2016 (31 December 2015: EUR 10.5 billion). This decline was mainly accountable to developments within the corporate loans and residential mortgages portfolio.

Total forborne assets within residential mortgages decreased to EUR 1.2 billion at year-end 2016 (31 December 2015: EUR 1.8 billion). The performing forborne portfolio declined by EUR 0.4 billion, mainly as a result of forborne contracts that passed the probation period (cease to be forborne). The non-performing forborne portfolio decreased to EUR 0.2 billion at 31 December 2016 (31 December 2015: EUR 0.4 billion). This decline was mainly due to the recovery strategy which was applied to these forborne contracts. Total inflow of new forborne exposure was very limited in 2016.

Forborne corporate loans decreased to EUR 6.7 billion at year-end 2016 (31 December 2015: EUR 7.7 billion). The decline related to developments within the performing forborne portfolio, which decreased mainly as a result of the outflow of forborne exposure due to forborne contracts that passed the probation period (cease to be forborne). To a lesser extent, the decline in performing forborne corporate loans related to new offsetting agreements. The non-performing forborne corporate loans increased by EUR 0.5 billion, mainly due to an inflow of new forborne clients, primarily related to the oil and gas industry and to a lesser extent to the industrial goods and services sector.

Past due loans

Financial assets past due but not impaired as at 31 December 2016

								31 December 2016
	Carrying amount		Days past due					
(in millions)	Gross	Assets not classified as impaired[1]	<= 30 days	> 30 days & <= 60 days	> 60 days & <= 90 days	> 90 days	Total past due but not impaired[3]	Past due ratio[3]
Loans and receivables - banks	**13,488**	**13,488**						**0.0%**
Loans and receivables - customers								
Residential mortgages[1]	149,255	147,998	1,897	190	39	8	2,134	1.4%
Consumer loans[1]	12,539	11,800	230	121	51	86	488	3.9%
Corporate loans[1]	90,920	84,225	343	106	52	93	594	0.7%
Other loans and receivables - customers[2]	13,838	13,616	242	75	50	19	386	2.8%
Total Loans and receivables - customers	**266,551**	**257,639**	**2,712**	**492**	**192**	**206**	**3,602**	**1.4%**
Total Loans and receivables	**280,039**	**271,127**	**2,712**	**492**	**192**	**206**	**3,602**	**1.3%**

1 Gross carrying amount excludes fair value adjustments from hedge accounting.
2 Other loans and receivables - customers consists of government and official institutions, financial lease receivables and factoring.
3 As of 30 September 2016 ABN AMRO aligned the definition of default and impaired. Comparative figures have been adjusted excluding the reclassification in allowances for impairments for residential mortgages.

Financial assets past due but not impaired as at 30 September 2016

	30 September 2016							
	Carrying amount		Days past due					
(in millions)	Gross	Assets not classified as impaired	<= 30 days	> 30 days & <= 60 days	> 60 days & <= 90 days	> 90 days	Total past due but not impaired[4]	Past due ratio[4]
Loans and receivables - banks	**15,679**	**15,677**						**0.0%**
Loans and receivables - customers								
Residential mortgages[1,2]	148,879	147,570	2,072	181	42	12	2,307	1.5%
Consumer loans[1]	14,436	13,613	294	86	22	89	491	3.4%
Corporate loans[1]	91,201	84,226	506	84	26	123	739	0.8%
Other loans and receivables - customers[3]	14,444	14,210	117	73	4	18	212	1.5%
Total Loans and receivables - customers[2]	**268,961**	**259,619**	**2,989**	**424**	**94**	**243**	**3,750**	**1.4%**
Total Loans and receivables	**284,639**	**275,296**	**2,989**	**424**	**94**	**243**	**3,750**	**1.3%**

1 Gross carrying amount excludes fair value adjustments from hedge accounting.
2 Netting is no longer be applied to bank saving mortgages, hence the bank saving mortgages are presented gross. Comparative figures have been adjusted accordingly. Further details are provided in the Notes to the reader section of this report.
3 Other loans and receivables - customers consists of government and official institutions, financial lease receivables and factoring.
4 As of 30 September 2016 ABN AMRO aligned the definition of default and impaired. Comparative figures have been adjusted excluding the reclassification in allowances for impairments for residential mortgages.

Financial assets past due but not impaired as at 31 December 2015

	31 December 2015							
	Carrying amount		Days past due					
(in millions)	Gross	Assets not classified as impaired[5]	<= 30 days	> 30 days & <= 60 days	> 60 days & <= 90 days	> 90 days	Total past due but not impaired[5]	Past due ratio[5]
Loans and receivables - banks	**15,682**	**15,680**						**0.0%**
Loans and receivables - customers								
Residential mortgages[1,2]	148,465	146,954	2,164	239	51		2,455	1.7%
Consumer loans[1]	15,147	14,119	301	115	28	75	520	3.4%
Corporate loans[1,3]	100,387	94,208	610	117	6	146	879	0.9%
Other loans and receivables - customers[1,4]	11,881	11,563	185	27	15	124	350	2.9%
Total Loans and receivables - customers[1,2,3]	**275,881**	**266,844**	**3,260**	**498**	**100**	**345**	**4,203**	**1.5%**
Total Loans and receivables[1,2]	**291,563**	**282,524**	**3,260**	**498**	**100**	**345**	**4,203**	**1.4%**

1 Gross carrying amount excludes fair value adjustments from hedge accounting.
2 Netting is no longer be applied to bank saving mortgages, hence the bank saving mortgages are presented gross. Comparative figures have been adjusted accordingly. Further details are provided in the Notes to the reader section of this report.
3 ABN AMRO amended its offsetting policy in Q2 2016. The year-end 2015 figures have been adjusted accordingly.
4 Other loans and receivables - customers consists of government and official institutions, financial lease receivables and factoring.
5 As of 30 September 2016 ABN AMRO aligned the definition of default and impaired. Comparative figures have been adjusted excluding the reclassification in allowances for impairments for residential mortgages.

Fourth-quarter developments

The total past due exposure on loans and receivables - customers decreased to EUR 3.6 billion at 31 December 2016 (30 September 2015: EUR 3.8 billion). The decrease of total past due exposure at year-end 2016 is in line with the long-term decreasing trend, on the back of the continued improvement of the Dutch economy.

Past due exposure on residential mortgages decreased to EUR 2.1 billion at 31 December 2016 (30 September 2016: EUR 2.3 billion) and was mainly related to the <= 30 days past due bucket.

The decline in past due exposure for corporate loans, arriving at EUR 0.6 billion at 31 December 2016 (30 September 2016: EUR 0.7 billion), was driven by domestic Commercial Clients.

Developments over the full year

The total past due exposure on loans and receivables decreased to EUR 3.6 billion at 31 December 2016 (31 December 2015: EUR 4.2 billion). The decline was attributable to the residential mortgages and the corporate loans portfolio.

Past due exposure on residential mortgages decreased to EUR 2.1 billion at 31 December 2016 (31 December 2015: EUR 2.5 billion), as a result of the continued upturn of the Dutch economy and active management of the portfolio in arrears.

The decrease in corporate loans past due was mainly attributable to the <= 30 days past due bucket and also related to the improved economic circumstances in the Netherlands.

Impaired loans

Coverage and impaired ratio as at 31 December 2016

	31 December 2016				
(in millions)	Gross carrying amount	Impaired exposures	Allowances for Impairments for identified credit risk	Coverage ratio	Impaired ratio
Loans and receivables - banks	**13,488**				**0.0%**
Loans and receivables - customers					
Residential mortgages[1]	149,255	1,257	-209	16.7%	0.8%
Consumer loans[1]	12,539	738	-387	52.4%	5.9%
Corporate loans[1]	90,920	6,695	-2,761	41.2%	7.4%
Other loans and receivables - customers[1, 2]	13,838	222	-68	30.7%	1.6%
Total Loans and receivables - customers[1]	**266,551**	**8,912**	**-3,425**	**38.4%**	**3.3%**
Total Loans and receivables[1,3]	**280,039**	**8,912**	**-3,425**	**38.4%**	**3.2%**
Securities financing	17,590				0.0%
Total on- and off-balance sheet	**425,449**	**9,059**	**-3,430**	**37.9%**	**2.1%**

1 Gross carrying amount excludes fair value adjustments from hedge accounting.
2 Other loans and receivables - customers consists of government and official institutions, financial lease receivables and factoring.
3 Amounts excluding Incurred But Not Identified (IBNI).

Coverage and impaired ratio as at 30 September 2016

					30 September 2016
(in millions)	Gross carrying amount	Impaired exposures[5]	Allowances for Impairments for identified credit risk[5]	Coverage ratio[5]	Impaired ratio[5]
Loans and receivables - banks	**15,679**	**2**	**-2**	**100.0%**	**0.0%**
Loans and receivables - customers					
Residential mortgages[1, 2]	148,879	1,309	-229	17.5%	0.9%
Consumer loans[1]	14,436	823	-414	50.3%	5.7%
Corporate loans[1, 3]	91,201	6,975	-2,828	40.5%	7.6%
Other loans and receivables - customers[1, 3, 4]	14,444	234	-75	31.8%	1.6%
Total Loans and receivables - customers[1, 2, 4]	**268,961**	**9,342**	**-3,546**	**38.0%**	**3.5%**
Total Loans and receivables[1, 2, 4]	**284,639**	**9,344**	**-3,548**	**38.0%**	**3.3%**
Securities financing	40,123				0.0%
Total on- and off-balance sheet[2]	**441,595**	**9,402**	**-3,553**	**37.8%**	**2.1%**

1 Gross carrying amount excludes fair value adjustments from hedge accounting.
2 Netting is no longer be applied to bank saving mortgages, hence the bank saving mortgages are presented gross. Comparative figures have been adjusted accordingly. Further details are provided in the Notes to the reader section of this report.
3 Other loans and receivables - customers consists of government and official institutions, financial lease receivables and factoring.
4 Amounts excluding Incurred But Not Identified (IBNI).
5 As of 30 September 2016 ABN AMRO aligned the definition of default and impaired. Comparative figures have been adjusted excluding the reclassification in allowances for impairments within residential mortgages. For more information on the reclassification in allowances refer to the residential mortgages section.

Coverage and impaired ratio as at 31 December 2015

					31 December 2015
(in millions)	Gross carrying amount	Impaired exposures[7]	Allowances for Impairments for identified credit risk[7]	Coverage ratio[7]	Impaired ratio[7]
Loans and receivables - banks	**15,682**	**2**	**-2**	**100.0%**	**0.0%**
Loans and receivables - customers					
Residential mortgages[1, 2, 3]	148,465	1,511	-245	16.2%	1.0%
Consumer loans[3]	15,147	1,028	-471	45.8%	6.8%
Corporate loans[1, 3, 4]	100,387	6,179	-3,098	50.1%	6.2%
Other loans and receivables - customers[3, 5]	11,881	318	-78	24.7%	2.7%
Total Loans and receivables - customers[1, 2, 3, 4]	**275,881**	**9,037**	**-3,892**	**43.1%**	**3.3%**
Total Loans and receivables[1, 2, 6]	**291,563**	**9,039**	**-3,894**	**43.1%**	**3.1%**
Securities financing	20,073	11	-11	100.0%	0.1%
Total on- and off-balance sheet[1, 2]	**431,838**	**9,177**	**-3,909**	**42.6%**	**2.1%**

1 Other loans and receivables - customers consists of government and official institutions, financial lease receivables and factoring.
2 Netting is no longer be applied to bank saving mortgages, hence the bank saving mortgages are presented gross. Comparative figures have been adjusted accordingly. Further details are provided in the Notes to the reader section of this report.
3 Gross carrying amount excludes fair value adjustments from hedge accounting.
4 ABN AMRO amended its offsetting policy in Q2 2016. The year-end 2015 figures have been adjusted accordingly.
5 Other loans and receivables - customers consists of government and official institutions, financial lease receivables and factoring.
6 Amounts excluding Incurred But Not Identified (IBNI).
7 As of 30 September 2016 ABN AMRO aligned the definition of default and impaired. Comparative figures have been adjusted excluding the reclassification in allowances for impairments within residential mortgages. For more information on the reclassification in allowances refer to the residential mortgages section.

Fourth-quarter developments

Impaired exposures for total loans and receivables decreased to EUR 8.9 billion at 31 December 2016 (30 September 2016: EUR 9.3 billion). The decrease was mainly attributable to corporate loans.

Impaired corporate loans dropped to EUR 6.7 billion at 31 December 2016 (30 September 2016: EUR 7.0 billion). The decrease was mainly attributable to releases and, to a lesser extent, write-offs by Commercial Clients. The decrease was partly offset by an increase within International Clients related to several files within ECT Clients. The allowances for impairments declined marginally by 2%. Overall, the impaired ratio improved to 7.4% (30 September 2016: 7.6%) and the coverage ratio came to 41.2% (30 September 2016: 40.5%).

The impaired ratio for residential mortgages declined further to 0.8%, due to a continuously lower inflow into the impaired portfolio and a consistently high level of outflow from the impaired portfolio, combined with an increased mortgage portfolio. Allowances for impairments decreased by 9% due to the improvements in the Dutch housing market, resulting in a coverage ratio of 16.7% at 31 December 2016 (30 September 2016: 17.5%).

The impaired consumer lending portfolio decreased. In combination with write-offs and files returning to the performing portfolio, this resulted in an impaired ratio of 5.9% at 31 December 2016 (30 September 2016: 5.7%) and a coverage ratio of 52.4% at 31 December 2016 (30 September 2016: 50.3%).

Developments over the full year

Impaired exposures for total loans and receivables - customers at year-end 2016 were slightly lower than at year-end 2015. At portfolio level, the impaired residential mortgages and consumer loans decreased, offset by corporate loans. Allowances for impairments decreased to EUR 3.4 billion at 31 December 2016 (31 December 2015: EUR 3.9 billion), mainly in the Commercial Clients portfolio reflecting the upturn in the Dutch economy.

As of 30 September 2016, ABN AMRO aligned its definitions of default and impaired in the third quarter of 2016. As a result, defaulted clients without an impairment allowance are now also considered impaired. The comparative figures for the impaired portfolio at 31 December 2015 have been restated accordingly. Due to this change, there has been a reclassification of allowances for impairments for residential mortgages. The IBNI allowances for exposures at default without an impairment allowance, totalling around EUR 32 million as at 30 September 2016, were reclassified as allowances for impairment for identified credit risk. Please note that this impact on allowances for impairments has not been restated for the comparative figures.

The impaired residential mortgages dropped to EUR 1.3 billion at 31 December 2016 (31 December 2015: EUR 1.5 billion), caused by a continuously lower inflow and a high level of outflow from the impaired portfolio. The growing outflow of clients to the performing portfolio together with a higher demand for houses, enabling faster settlement of files in long-term arrears, resulted in the high outflow. The decline of the impaired portfolio in combination with an increased mortgage portfolio resulted in the impaired ratio at year-end 2016 improving to 0.8% (31 December 2015: 1.0%). Allowances for impairments decreased by 15% due to the improvements in the Dutch housing market, resulting in a coverage ratio of 16.7% at 31 December 2016 (31 December 2016: 16.2%). Note that if the impact for default and impaired alignment had been adjusted historically, the coverage ratio for 31 December 2015 would have been 18.5%.

As a result of write-offs and files returning to the normal portfolio, impaired exposure as well as allowances for impairments for consumer loans declined in 2016. In combination with a smaller portfolio, this led to an improved impaired ratio of 5.9% and an increased coverage ratio of 52.4% at 31 December 2016 (31 December 2015: 6.8% and 45.8%).

Impaired corporate loans rose to EUR 6.7 billion (31 December 2015: EUR 6.2 billion), primarily due to impaired files in the ECT Clients portfolio related to the oil & gas industry, and a single large file in the Commercial Clients portfolio. The ECT Clients exposures have a relatively low coverage ratio as these exposures are largely collateralised. The additions were offset by several reversals noted in the Commercial Clients portfolio (with a higher coverage ratio). As a result, we noted a higher impaired ratio of 7.4% and a lower coverage ratio of 41.2% (31 December 2015: 6.2% and 50.1%).

The impaired ratio for other loans and receivables improved to 1.6% (31 December 2015: 2.7 %), mainly due to full repayments of impairment loans in combination with an increased portfolio. The coverage ratio increased to 30.7% at 31 December 2016 (31 December 2015: 24.7%).

Loan impairment charges and allowances Q4 2016

							Q4 2016
(in millions)	Securities financing	Banks	Corporate loans[1]	Residential mortgages	Consumer loans	Other loans	Total
Balance at begin of period		**7**	**3,080**	**278**	**472**	**2**	**3,840**
Reclassification related to business held for sale/discontinued operations							
Subtotal		**7**	**3,080**	**278**	**472**	**2**	**3,840**
Impairment charges for the period		-2	293	16	62		369
Acquisitions							
Reversal of impairment allowances no longer required		-2	-262	-2	-47		-313
Recoveries of amounts previously written-off			-3	-6	-11		-20
Total impairment charges on loans and other receivables		**-4**	**28**	**7**	**4**		**36**
Amount recorded in interest income from unwinding of discounting			-14	-12	-2		-28
Currency translation differences			39				39
Amounts written-off (net)			-182	-18	-47		-247
Effect of (de)consolidating entities							
Disposals of businesses							
Reserve for unearned interest accrued on impaired loans			19	2	2		23
Other adjustments			5		2		7
Balance at end of period		**3**	**2,973**	**258**	**433**	**2**	**3,670**

[1] Corporate loans includes financial lease receivables and factoring.

Loan impairment charges and allowances Q4 2015

(in millions)	Securities financing	Banks	Corporate loans[1]	Residential mortgages[2]	Consumer loans	Other loans	Total
							Q4 2015
Balance as at begin of period	**10**	**3**	**3,421**	**374**	**620**	**109**	**4,537**
Impairment charges for the period			335	23	26	-23	361
Reversal of impairment allowances no longer required			-202	-11	-21	15	-219
Recoveries of amounts previously written-off			-1	-7	-11		-19
Total impairment charges on loans and other receivables		**-1**	**133**	**6**	**-7**	**-7**	**123**
Amount recorded in interest income from unwinding of discounting			-13	-10	-2	2	-23
Currency translation differences			32			1	33
Amounts written-off (net)			-254	-46	-47	30	-317
Reserve for unearned interest accrued on impaired loans			14		2	-3	13
Other adjustments			136		-4	-130	1
Balance as at end of period	**11**	**2**	**3,470**	**324**	**561**	**1**	**4,368**

[1] Corporate loans includes financial lease receivables and factoring.
[2] As of 30 September 2016 ABN AMRO aligned the definition of default and impaired. Comparative figures have been adjusted excluding the reclassification from IBNI to allowances for impairments for identified credit risk within residential mortgages.

Total impairment charges on loans and other receivables

(in millions)	Q4 2016	Q4 2015
On-balance sheet	36	123
Off-balance sheet	-1	1
Total impairment charges on loans and other receivables	**35**	**124**

Fourth-quarter developments

In Q4 2016 total on-balance impairment charges decreased to EUR 36 million (Q4 2015: EUR 123 million). The decrease was driven by a sharp drop in corporate loans.

Corporate loans declined sharply to EUR 28 million in Q4 2016 (Q4 2015: EUR 133 million). This decline was mainly attributable to International Clients and largely relates to an IBNI release in Q4 2016, compared with an IBNI addition in Q4 2015. The additions for Q4 2016 within International Clients remained at the same level as in Q4 2015, whereas the Q4 2016 impairment charges were mainly impacted by Commodities Clients.

Furthermore, corporate loans benefited from lower additions within Commercial Clients, as a result of the upturn in the Dutch economy, partly offset by lower IBNI releases.

Impairment charges for residential mortgages remained relatively stable at EUR 7 million in Q4 2016 (Q4 2015: EUR 6 million), while consumer loans increased somewhat to EUR 4 million in Q4 2016 (Q4 2015: 7 million release).

Loan impairment charges and allowances full year 2016

(in millions)	Securities financing	Banks	Corporate loans[1]	Residential mortgages	Consumer loans	Other loans	Total 2016
Balance as at 1 January	**11**	**2**	**3,470**	**324**	**561**	**1**	**4,368**
Impairment charges for the period		2	886	115	184	2	1,189
Reversal of impairment allowances no longer required	-2	-2	-828	-34	-127		-993
Recoveries of amounts previously written-off			-17	-24	-40		-82
Total impairment charges on loans and other receivables	**-2**		**42**	**56**	**17**	**2**	**115**
Amount recorded in interest income from unwinding of discounting			-47	-40	-8		-94
Currency translation differences			20				20
Amounts written-off (net)	-8		-595	-89	-146		-837
Reserve for unearned interest accrued on impaired loans			76	2	14		92
Other adjustments			7	5	-5	-1	6
Balance as at 31 December		**3**	**2,973**	**258**	**433**	**2**	**3,670**

[1] Corporate loans includes financial lease receivables and factoring.

Loan impairment charges and allowances full year 2015

(in millions)	Securities financing	Banks	Corporate loans[1]	Residential mortgages[2]	Consumer loans	Other loans	Total 2015
Balance as at 1 January	**11**		**3,439**	**538**	**654**	**129**	**4,771**
Impairment charges for the period		1	1,096	137	160		1,394
Reversal of impairment allowances no longer required			-643	-99	-76		-818
Recoveries of amounts previously written-off			-7	-25	-42		-74
Total impairment charges on loans and other receivables			**446**	**14**	**43**		**502**
Amount recorded in interest income from unwinding of discounting			-45	-50	-10		-105
Currency translation differences	1		79			2	82
Amounts written-off (net)			-629	-174	-150		-953
Reserve for unearned interest accrued on impaired loans			59		12		71
Other adjustments		2	123	-5	12	-131	
Balance as at 31 December	**11**	**2**	**3,470**	**324**	**561**	**1**	**4,368**

[1] Corporate loans includes financial lease receivables and factoring.
[2] As of 30 September 2016 ABN AMRO aligned the definition of default and impaired. Comparative figures have been adjusted excluding the reclassification from IBNI to allowances for impairments for identified credit risk within residential mortgages.

Total impairment charges on loans and other receivables

(in millions)	2016	2015
On-balance sheet	115	502
Off-balance sheet		3
Total impairment charges on loans and other receivables	**114**	**505**

Developments over the full year

Total on-balance impairment charges dropped sharply to EUR 115 million in 2016 (2015: EUR 502 million). This decrease was driven by corporate loans.

Impairment charges for corporate loans decreased sharply to EUR 42 million in 2016 (2015: EUR 446 million), mainly as a the result of significantly lower additions and higher releases within Commercial Clients following from the improvements of the Dutch economy. The decline in Commercial Clients was slightly offset by International Clients, mainly due to additions related to the Energy and Transportation sector within ECT Clients.

Impairment charges for residential mortgages increased to EUR 56 million in 2016 (2015: EUR 14 million), mainly impacted by lower IBNI releases and, to a lesser extent, higher additions.

Consumer loans declined to EUR 17 million in 2016 (2015: EUR 43 million) benefitting from the upturn in the Dutch economy.

Impaired loans by industry

	31 December 2016		30 September 2016		31 December 2015	
(in millions)	Impaired exposures	Allowances for impairments for identified credit risk	Impaired exposures	Allowances for impairments for identified credit risk	Impaired exposures[5]	Allowances for impairments for identified credit risk[5]
Industry sector						
Banks			2	-2	12	-12
Financial services[1,2]	782	-655	765	-632	947	-696
Industrial goods and services[1]	1,786	-602	1,968	-571	1,392	-608
Real estate[1]	606	-202	718	-238	852	-324
Oil and gas[1]	890	-188	788	-172	185	-73
Food and beverage[1]	676	-170	756	-190	719	-246
Retail[1]	541	-195	620	-210	695	-282
Basic resources[1]	489	-197	350	-219	430	-223
Healthcare[1]	204	-139	165	-146	234	-167
Construction and materials[1]	483	-238	507	-253	591	-285
Travel and leisure[1]	196	-64	194	-73	222	-88
Other[1,3]	429	-190	458	-208	450	-207
Subtotal Industry Classification Benchmark[1]	**7,084**	**-2,841**	**7,291**	**-2,914**	**6,730**	**-3,210**
Private individuals (non-Industry Classification Benchmark)	1,975	-589	2,111	-638	2,447	-698
Public administration (non-Industry Classification Benchmark)[1]					1	
Subtotal non-Industry Classification Benchmark[1]	**1,975**	**-589**	**2,112**	**-638**	**2,448**	**-698**
Total[1,4]	**9,059**	**-3,430**	**9,402**	**-3,553**	**9,177**	**-3,909**

1 ABN AMRO amended its offsetting policy in Q2 2016. The year-end 2015 figures have been adjusted accordingly.
2 Financial services include asset managers, credit card companies and providers of personal financial services and securities and brokers.
3 Other includes, personal and household goods, media, technology, automobiles and parts, chemicals, telecommunication and insurance, in addition to unclassified.
4 Amounts excluding Incurred But Not Identified (IBNI).
5 As of 30 September 2016 ABN AMRO aligned the definition of default and impaired. Comparative figures have been adjusted excluding the reclassification in allowances for impairments within residential mortgages. For more information on the reclassification in allowances refer to the residential mortgages section.

Fourth-quarter developments

At industry level, decreases were noted for industrial goods and services, mainly as a result of clients fully repaying their debts. Real estate declined as a result of repayments and files returning back to the performing portfolio. The food and beverage sector as well as the retail industry sector benefited from the ongoing improvement in the Dutch economy. Impaired exposures and allowances for impairments for private individuals dropped due to a continued high level of outflow from, and lower inflow into, the impaired portfolio for residential mortgages, and to a lesser extent due to write-offs.

The decrease in impaired exposures was partly offset by a few new files related to ECT Clients in the oil and gas industry. In addition, basic resources increased due to a few new impaired files.

Developments over the full year

The financial services sector declined mainly due to clients fully repaying their debts and write-offs. Real estate benefited from the improved economic conditions as well as repayments, causing the impaired exposures to decline. The releases in allowances for impairments for real estate were mainly attributable to improved underlying collateral values.

The industry sectors construction and materials and retail dropped due to repayments of loans and, to a lesser extent, write-offs.

Impaired exposures and allowances for impairments for private individuals dropped mainly as a result of a continued high level of outflow from, and lower inflow into, the impaired portfolio for residential mortgages.

Increases in impaired exposure and allowances for impairments at industry level were recorded mainly in the oil and gas sector due to ECT Clients related files. These new files are currently being restructured and mitigating actions are being taken. Based on the underlying collateral, these files have a relatively low coverage ratio. Industrial goods and services rose mainly due to a single file in the Commercial Clients portfolio.

Developments in specific portfolios

Residential mortgages

The Dutch housing market continued its strong recovery. Housing transactions as well as housing prices rose again, although these improvements were more visible in the larger cities in the urban agglomeration. The continued improvement was mainly attributable to low mortgage interest rates, as well as insufficient residential construction activity combined with favourable economic conditions in the Netherlands. The economic upturn also improved confidence among home buyers.

The number of transactions in the Dutch housing market went up by 16% in Q4 2016, compared with Q4 2015 (and increased by 20% in 2016 compared with 2015), according to Statistics Netherlands (CBS). The CBS housing price index also rose by 1.1% comparing Q4 2016 with Q3 2016 and average 5.1% year-on-year.

Due to an excellent fourth quarter, ABN AMRO's market share in new mortgage production peaked at 25.6%[1] (Q3 2016: 23.1%, Q4 2015: 15.3%). Market share for 2016 came to 21.9% (2015:19.9%). The strong situation of the Dutch housing market is reflected in the bank's new mortgage production (which was more than 20% higher than in Q3 2016 and almost double the figure for Q4 2015). The NHG proportion of the new mortgage production decreased further to 17% in Q4 2016, compared with 19% in Q3 2016 (year-to-date: 20%).

Total redemptions in Q4 2016 amounted to EUR 4.1 billion (Q3 2016: EUR 3.4 billion). Total redemptions for 2016 amounted to 13.3 billion (2015: EUR 12.4 billion). Contractual repayments gradually grew, in line with current tax regulations. In Q4 2016, extra repayments amounted to EUR 0.9 billion, similar to the same quarter last year. Incentives for current extra redemptions are still the very low interest rates on savings and an increased awareness among home owners of the possibility of residual debt at the end of their loan term.

[1] Source: Dutch Land Registry (Kadaster)

Key residential mortgage indicators

(in millions)	31 December 2016	30 September 2016	31 December 2015
Gross carrying amount excl. fair value adjustment from hedge accounting[1]	149,255	148,879	148,465
Of which Nationale Hypotheek Garantie (NHG)[1]	39,293	39,474	39,706
Fair value adjustment from hedge accounting[1]	3,073	3,453	3,401
Gross carrying amount[1]	152,328	152,333	151,866
Exposure at Default[2]	165,199	163,407	162,405
RWA (REA)[2]	19,090	19,395	20,779
RWA (REA)/EAD	11.6%	11.9%	12.8%
Forbearance ratio	0.8%	0.8%	1.2%
Past due ratio[1,3,4]	1.4%	1.5%	1.7%
Impaired ratio[1,3,4]	0.8%	0.9%	1.0%
Coverage ratio[1,3,4]	16.7%	17.5%	16.2%
Average Loan-to-Market-Value	76%	78%	80%
Average Loan-to-Market-Value - excluding NHG loans	73%	74%	76%
Total risk mitigation	188,339	184,582	179,999
Total risk mitigation/carrying amount	123.6%	121.2%	118.5%

1 Netting is no longer be applied to bank saving mortgages, hence the bank saving mortgages are presented gross. Comparative figures have been adjusted accordingly. Further details are provided in the Notes to the reader section of this report.
2 As of 31 March 2016, ABN AMRO revised the allocation of collateral values for residential mortgages. The year-end 2015 figures have been adjusted for comparison purposes.
3 The RWA (REA) and Exposure at Default amounts are based on the exposure class secured by immovable property. This scope is slightly broader than the residential mortgage portfolio.
4 As of 30 September 2016 ABN AMRO aligned the definition of default and impaired. Comparative figures have been adjusted excluding the reclassification in allowances for impairments for residential mortgages.

Underlying cost of risk

	Q4 2016	Q4 2015	Q3 2016	2016	2015
Underlying Cost of risk (in bps)[1,2]	2	1	4	4	1

1 Annualised impairment charges on loans and receivables - customers for the period divided by the average loans and receivables - customers on the basis of gross carrying amount and excluding fair value adjustment from hedge accounting.
2 ABN AMRO amended its offsetting policy in Q2 2016. The year-end 2015 figures have been adjusted accordingly.

The gross carrying amount of the residential mortgage portfolio amounted to EUR 149.3 billion at 31 December 2016 (30 September 2016: EUR 148.9 billion, 31 December 2015: EUR 148.5 billion). New mortgage production increased substantially, partly offset by extra repayments. NHG-guaranteed loans accounted for 26% of the residential mortgage portfolio, fairly stable since last quarter.

The RWA (REA) for the residential mortgage portfolio decreased to EUR 19.1 billion at the end of 2016 (30 September: 19.4 billion, 31 December 2015: 20.8 billion) as an update of indexation factors led to higher collateral values, which was partly offset by model changes. Exposure at Default (EaD) increased to EUR 165.2 billion at 31 December 2016 (30 September 2016: EUR 163.4 billion, 31 December 2015: 162.4 billion) in line with the growing loan portfolio.

Credit quality indicators generally improved as a combined result of the continued upswing in the Dutch housing market, successful active management of the portfolio and the improved Dutch economy. Impairments are low across the average loan book.

Coverage ratio came to 16.7% at 31 December 2016 (30 September 2016: 17.5%, 31 December 2015: 16.2%). Both the impaired portfolio and allowances for credit risk decreased as a result of the upturn in the Dutch economy.

Cost of risk at 31 December 2016 remained low at 2 bps.

The risk profile of the residential mortgage portfolio proved to be low in the years of economic downturn and has been improving since 2014.

Rising housing prices and restrictions on the maximum Loan to Market Value (LtMV) for new residential mortgages resulted in a further improvement of the average LtMV of the mortgage portfolio to 76% at 31 December 2016 (30 September 2016: 78%, 31 December 2015: 80%).

The same trend can be noted for the LtMVs excluding NHG. Extra repayments on residential mortgage loans have a minor impact on the highest LtMV categories. Approximately 14% of the extra repayments were related to mortgages with an LtMV>100%.

The long-term LtMV of the bank's portfolio is expected to decrease further, as a result of the regulatory reduction of the maximum LtMV on mortgage loans, increasing housing prices and redemptions.

Residential mortgages to indexed market value

	31 December 2016				30 September 2016				31 December 2015			
(in millions)	Gross carrying amount	Percentage of total	- of which guaranteed[3]	- of which unguaranteed	Gross carrying amount[4]	Percentage of total[4]	- of which guaranteed[3,4]	- of which unguaranteed[4]	Gross carrying amount[4]	Percentage of total[4]	- of which guaranteed[3,4]	- of which unguaranteed[4]
LtMV category[1,2]												
<50%	26,021	17.4%	1.9%	15.5%	24,735	16.6%	1.8%	14.8%	24,907	16.8%	1.8%	15.0%
50% - 80%	47,631	31.9%	6.4%	25.5%	44,340	29.8%	5.8%	24.0%	40,192	27.1%	5.1%	22.0%
80% - 90%	23,498	15.7%	5.5%	10.2%	21,346	14.3%	4.6%	9.7%	18,471	12.4%	3.6%	8.8%
90% - 100%	25,498	17.1%	7.0%	10.1%	26,336	17.7%	7.5%	10.2%	25,236	17.0%	7.0%	10.0%
100% - 110%	15,596	10.4%	3.6%	6.9%	17,094	11.5%	4.1%	7.4%	19,173	12.9%	5.1%	7.8%
110% - 120%	6,999	4.7%	1.4%	3.2%	9,286	6.2%	2.0%	4.2%	12,775	8.6%	2.9%	5.7%
>120%	2,110	1.4%	0.5%	1.0%	3,422	2.3%	0.7%	1.6%	5,764	3.9%	1.3%	2.6%
Unclassified	1,904	1.3%			2,321	1.6%			1,947	1.3%		
Total	**149,255**	**100%**			**148,879**	**100%**			**148,465**	**100%**		

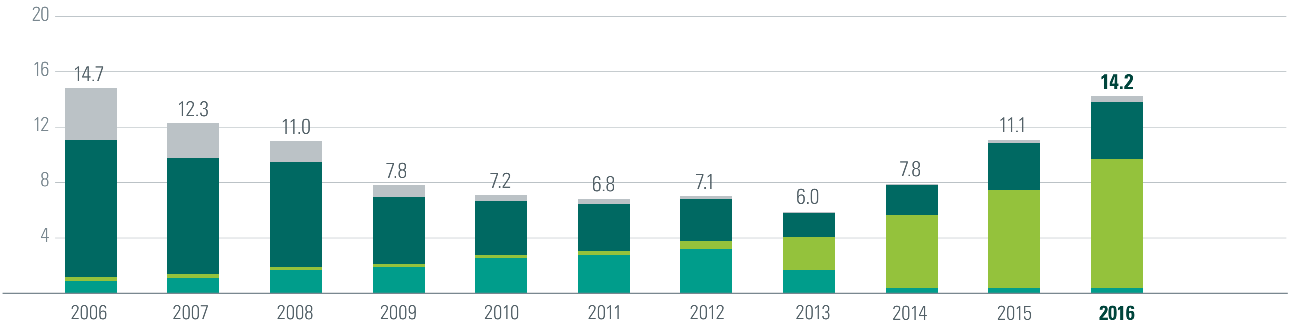
1 ABN AMRO calculates the indexed market value using the indexation of the CBS (Statistics Netherlands).
2 As of 31 March 2016, ABN AMRO revised the allocation of collateral values for residential mortgages. The year-end 2015 figures have been adjusted for comparison purposes.
3 NHG guarantees.
4 Netting is no longer be applied to bank saving mortgages, hence the bank saving mortgages are presented gross. Comparative figures have been adjusted accordingly. Further details are provided in the Notes to the reader section of this report.

The gross carrying amount of mortgages with an LtMV above 100% decreased to EUR 24.7 billion at 31 December 2016 (30 September 2016: EUR 29.8 million, 31 December 2015: EUR 37.7 million).

The number of mortgages in the higher LtMV bucket range is decreasing, mainly due to indexation of the value of the underlying collateral and the absence of new inflow into these buckets as a result of current regulations for tax deductions. Note that LtMVs in excess of 100% do not necessarily indicate that these clients are in financial difficulties. However, ABN AMRO advises clients not to maintain loans at high LtMV levels.

Breakdown of residential mortgage origination by loan type

Breakdown of the residential mortgage portfolio by year of loan modification as from 2016[1]
(in billions)



[1] Production includes the new mortgage production and all mortgages with a modification date.
[2] Other includes universal life, life investment, hybrid, other and unclassified mortgage types. The hybrid portfolio consists of a combination of savings and investment mortgages.

The effects of Dutch tax regulations implemented in 2013 are clearly visible in the breakdown by year of loan modification. Mortgage loan type originations that took place in 2016 (defined as new production and mortgages with a loan type modification) breaks down into 28.8% interest-only, 65.8% redeeming mortgages and 2.8% savings mortgages. Interest-only and savings mortgages can still be produced for clients who wish to refinance loans that originated before 2013.

Breakdown of residential mortgage portfolio by loan type

(in millions)	31 December 2016		30 September 2016		31 December 2015	
	Gross carrying amount	Percentage of total	Gross carrying amount[2]	Percentage of total[2]	Gross carrying amount[2]	Percentage of total[2]
Interest only (partially)	47,798	32%	47,311	32%	47,943	32%
Interest only (100%)	29,638	20%	30,842	21%	32,076	22%
Redeeming mortgages (annuity/linear)	26,883	18%	24,157	16%	18,569	13%
Savings	20,860	14%	21,586	15%	23,272	16%
Life (investment)	15,451	10%	16,283	11%	17,787	12%
Other[1]	8,625	6%	8,699	6%	8,818	6%
Total	**149,255**	**100%**	**148,879**	**100%**	**148,465**	**100%**

[1] Other includes hybrid, other and unclassified mortgage types. The hybrid portfolio consists of a combination of savings and investment mortgages.
[2] Netting is no longer be applied to bank saving mortgages, hence the bank saving mortgages are presented gross. Comparative figures have been adjusted accordingly. Further details are provided in the Notes to the reader section of this report.

The change in tax regulations is reflected in the composition of the mortgage portfolio. The proportion of redeeming mortgages increased to 18% of the residential mortgage portfolio at 31 December 2016 (30 September: 16%, 31 December 2015:13%).

Energy, Commodities & Transportation Clients

ECT on- and off-balance sheet exposure

(in billions)	31 December 2016 Energy	Commodities	Transportation	Total ECT clients	30 September 2016 Energy	Commodities	Transportation	Total ECT clients	31 December 2015 Energy	Commodities	Transportation	Total ECT clients
On-balance sheet exposure[1]	**6.0**	**14.5**	**10.2**	**30.8**	5.3	12.2	9.5	27.0	4.7	11.1	9.3	25.0
Guarantees and letters of credit	0.9	7.2	0.2	8.4	0.8	5.8	0.2	6.8	0.7	5.5	0.2	6.3
Subtotal[1]	**6.9**	**21.8**	**10.4**	**39.1**	6.1	18.1	9.7	33.8	5.3	16.5	9.5	31.4
Undrawn committed credit facilities	2.8	2.5	1.1	6.5	2.1	2.5	0.9	5.5	2.3	2.4	1.9	6.7
Total on- and off-balance sheet exposure[1]	**9.8**	**24.3**	**11.5**	**45.6**	**8.2**	**20.6**	**10.5**	**39.3**	**7.6**	**19.0**	**11.4**	**38.0**

[1] Including fair value adjustment from hedge accounting.

(in millions)	Q4 2016	Q4 2015	Q3 2016	2016	2015
Impairments charges ECT clients	35	31	33	209	128
- of which Energy	2	15	10	104	28
- of which Commodities	30	5	5	46	98
- of which Transportation	3	12	19	59	2
Underlying Cost of risk ECT (in bps)	50	53	52	83	56

ABN AMRO provides financial solutions and support to clients across the entire value chain of the Energy, Commodities & Transportation (ECT) industry.
ECT Clients finances and serves corporate clients that are internationally active in Energy (upstream, offshore, midstream, floating production (FPSO/FSO) and corporate lending), Commodities (energy, agricultural and metals) and Transportation (ocean-going vessels and containers).

ECT Clients operates in cyclical sectors. This cyclicality is reflected in our lending policies, financing structures, advance rates and risk management. As some clients in the ECT sectors currently face challenging market circumstances, such as low oil prices and weak dry bulk and container markets, they are continuously subject to stringent credit monitoring and close risk management attention. In addition, ABN AMRO periodically performs sensitivity analyses and stress testing exercises to gain insight into the credit performance under different price scenarios, economic scenarios and risk measures.

The vast majority of the ECT Clients loan book is US-dollar denominated. ECT Clients provides financing, generally secured by either commodities for which liquid markets exist, first-priority ship mortgages or pledged contracted project cash flows. Conservative advance rates are applied to secured lending, taking into account through-the-cycle asset values. In addition, ECT Clients provides unsecured balance sheet financing to investment grade rated counterparties in the ECT industry.

Prices for most commodities have risen substantially over 2016. At the same time, price levels for a number of major commodities are still substantially below the historical 5-year average and investments are only gradually recovering. Moreover, circumstances in a number of shipping markets and offshore services remain challenging, given structural overcapacity and decreased demand.

Despite these adverse market conditions, ECT Clients pursues its controlled growth strategy. Portfolio growth is driven by new client acquisitions and broadening and deepening of existing client relations in selectively chosen markets. ECT Clients has also expanded its scope to adjacent business sectors, such as utilities, renewables and natural resources.

On balance-sheet exposure

The ECT Clients' total loan portfolio amounted to EUR 30.8 billion in on-balance sheet exposure at 31 December 2016 (31 December 2015: EUR 25.0 billion). The on-balance sheet exposure increased by 14.2% in the fourth quarter of 2016 (23.0% increase over 2016) driven by growth in all three ECT segments.

Growth in 2016, especially in the fourth quarter, was supported by an increase in oil prices, leading to higher utilisation of credit lines for Commodities Clients, and the strengthening of the US dollar. Including these effects, the ECT Clients on-balance portfolio grew by EUR 5.8 billion in 2016, of which EUR 3.8 billion in Q4 2016. Oil prices increased by 14% in Q4 2016 and by 50% over the year 2016. This explains EUR 0.9 billion of the growth in Q4 and EUR 2.6 billion for the year. The US dollar appreciated by 3.2% against the Euro over 2016. The EUR/USD exchange rate was volatile over the year, strengthening in particular in Q4 2016 by 6.5%. The FX effects accounted for an increase of EUR 1.8 billion in Q4 and EUR 0.8 billion for the full year 2016. Excluding the oil price and FX effects, the ECT Clients portfolio grew by EUR 2.4 billion in the year 2016, of which EUR 1.1 billion in Q4 2016.

Commodities Clients remained the largest sector of ECT Clients, accounting for EUR 14.5 billion of the ECT Clients on balance sheet exposure, up 19% from EUR 12.2 billion at 30 September 2016 and 31% from EUR 11.1 billion at 31 December 2015. Loans (on-balance) to Transportation Clients accounted for EUR 10.2 billion at 31 December 2016 (30 September 2016: EUR 9.5 billion, 31 December 2015: EUR 9.3 billion). Energy Clients' share in the on-balance sheet exposure was EUR 6.0 billion at 31 December 2016 (30 September 2016: EUR 5.3 billion, 31 December 2015: EUR 4.7 billion).

Off-balance-sheet exposure

The off-balance-sheet exposure, consisting mainly of short-term letters of credit secured by commodities, guarantees and availability under committed credit lines, increased by 20.3% during Q4, arriving at EUR 14.9 billion at 31 December 2016, of which EUR 9.7 billion in Commodities Clients, EUR 3.7 billion in Energy Clients and EUR 1.3 billion in Transportation Clients.

Impairment charges

ECT Clients' impairment charges for Q4 2016 amounted to EUR 35 million (Q4 2015: EUR 31 million). Most of the impairment charges were taken in Commodities Clients (EUR 30 million), followed by Transportation Clients, and Energy Clients. Due to challenging markets in 2016, impairment charges for the full year amounted to EUR 209 million (2015: EUR 128 million), with Energy accounting for EUR 104 million, Commodities for EUR 46 million and Transportation for EUR 59 million.

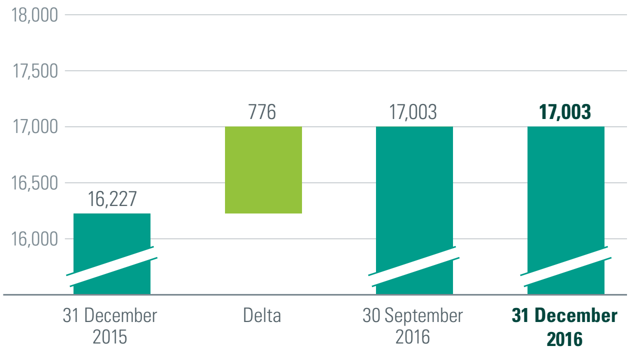
Scenario analysis

The performance tracked under the oil price scenario we performed in previous periods showed that the actual impairment charges, EUR 12 million for the second half of 2016, remained below the modelled additional impairment charges of EUR 125-200 million. The timeframe for this scenario was from mid 2016 until year-end 2017.

In the previous periods, we also performed scenario analyses for the Transportation portfolio. The timeframe for this scenario was from the start of 2016 until mid 2017 and the forecasted range was from EUR 75 million impairment charges under a mild scenario to EUR 225 million impairment charges under a severe scenario. In 2016, the actual impairment charges arrived at EUR 59 million and are therefore at the lower end of the modelled range.

Operational risk

RWA (REA) flow statement operational risk
(in millions)



RWA (REA) for operational risk is calculated based on the Standardised Approach (TSA). To calculate the required capital, the gross income is multiplied by a percentage (predefined by the directives) once a year. Therefore, we still applied the TSA approach to calculate the RWA (REA) in Q4 2016. As the TSA calculation is revised annually, no changes were noted compared with Q3 2016.

Fourth-quarter developments

At the end of 2016, ABN AMRO received permission from the ECB to apply the Basel II Advanced Measurement Approach. As of Q1 2017, we will use our internal AMA model for calculating regulatory capital. The permission to apply the most advanced calculation method confirms the ECB's satisfaction with the way we manage operational risks.

Developments over the full year

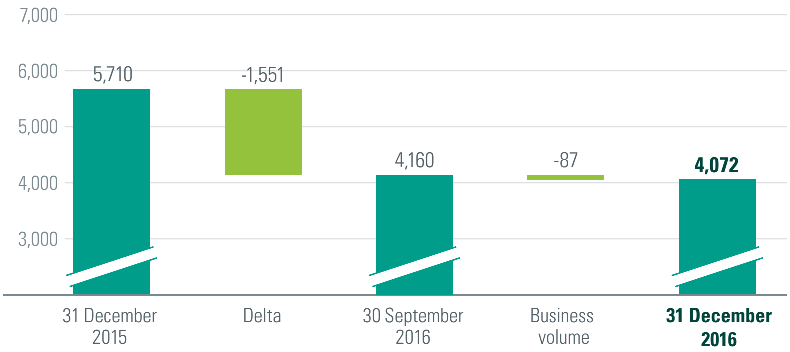
RWA (REA) for operational risk increased by EUR 0.8 billion compared with year-end 2015, arriving at EUR 17.0 billion at 31 December 2016, as a result of the annual revision of calculations.

Market risk

Market risk in the trading book

ABN AMRO has limited exposure in its trading book.

RWA (REA) flow statement market risk
(in millions)



Fourth-quarter developments

RWA (REA) for market risk decreased slightly to EUR 4.1 billion at 31 December 2016 (30 September 2016: EUR 4.2 billion).

Developments over the full year

In 2016, RWA (REA) for market risk dropped significantly to EUR 4.1 billion at 31 December 2016 (31 December 2015: EUR 5.7 billion). This decline was mainly the result of the use of the Internal Model Approach (IMA) as from 1 January 2016, which accounted for EUR 2.6 billion of the decline. The decline was partly offset by the effect of negative interest rates on our regulatory capital models, reflecting the fact that the models for interest rate options had been too conservative. Improved valuation models have already been developed and implemented, which will significantly lower the RWA figures. Regulatory approval for the improved valuation models is expected in the course of 2017.

Internal aggregated diversified and undiverisified VaR for all trading positions

	Q4 2016		Q4 2015		Q3 2016	
(in millions)	Diversified	Undiversified	Diversified	Undiversified	Diversified	Undiversified
VaR at last trading day of period	7.2	8.4	3.0	3.4	9.5	11.8
Highest VaR	10.8	14.0	8.7	11.0	10.4	13.4
Lowest VaR	6.1	7.6	1.8	2.9	2.1	3.6
Average VaR	7.7	9.5	2.9	4.1	7.2	8.9

In Q4, the average diversified 1-day VaR at a 99% confidence level increased by EUR 4.8 million to EUR 7.7 (Q4 2015: EUR 2.9 billion). The highest VaR in Q4 2016 was EUR 10.8 million (Q4 2015: 8.7 million).

Average undiversified VaR, being the sum of VaR across the FX, Equity, Interest Rates and Commodity risk factors, increased from EUR 8.9 million in Q3 2016 to EUR 9.5 million in Q4 2016.

While the risk profile remained stable and moderate, the overall increase in VaR numbers was driven by the negative interest rate environment following the Brexit referendum in June 2016. Although the VaR methodology was enhanced to better cope with low and negative interest rates, the valuation model for interest rate derivatives did not perform well with negative interest rates and generated overstated VaR numbers. The valuation model for interest rate options was enhanced in Q4 2016 and is pending approval by the regulator.

Market risk in the banking book

Market risk in the banking book is the risk that the bank's value or earnings decline because of unfavourable market movements. The market risk of the banking book consists predominantly of interest rate risk. Interest rate risk arises from holding loans with interest rate maturities that are different from the interest rate maturities of the savings and funding of the bank.

On average, the bank's assets have a longer behavioural maturity than its liabilities, especially savings. ABN AMRO uses a combination of portfolio (macro) hedges and specific asset or liability (micro) hedges to swap fixed interest rates to a floating interest rate position. The resulting interest rate position, after application of interest rate hedges, is in line with the bank's strategy and risk appetite.

Interest rate risk metrics

	31 December 2016	30 September 2016	31 December 2015
NII-at-risk (in %)	-0.4	-0.4	-1.3
Duration of equity (in years)	4.1	3.6	3.6

NII-at-Risk is defined as the worst outcome of two scenarios: a gradual increase in interest rates and a gradual decline in interest rates by 200bps. In the falling rate scenario, a floor of -100bps on market rates is applied, as well as a floor of 0bps on retail deposits. The NII-at-Risk in Q4 remains stable at -0.4% (approximately EUR -24 million) and, as in the previous quarter, reflects a reduction of NII in the falling rates scenario. In a scenario reflecting a rise in interest rates, NII would increase by 0.6% (approximately EUR 32 million). Duration of equity increased from 3.6 to 4.1 years.

Liquidity risk

Liquidity indicators

	31 December 2016	30 September 2016	31 December 2015
Loan-to-Deposit ratio	113%	107%	109%
LCR	>100%	>100%	>100%
NSFR	>100%	>100%	>100%
Survival period (moderate stress)	> 12 months	> 12 months	>12 months
Available liquidity buffer (in billions)	78.9	88.9	82.8

The Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) both remained above 100% in Q4 2016. This is in line with the bank's targeted early compliance with future regulatory requirements.

The survival period reflects the period that the bank's liquidity position is expected to remain positive in an internally developed (moderate) stress scenario. In this internally developed stress scenario it is assumed that wholesale funding markets deteriorate and retail and commercial clients withdraw part of their deposits. The survival period was consistently >12 months in Q4 2016.

Loan-to-Deposit ratio

(in millions)	31 December 2016	30 September 2016	31 December 2015
Loans and receivables - customers[1]	267,679	270,762	276,375
Net adjustments	-10,797	-12,007	-9,648
Adjusted loans and receivables - customers[1]	**256,881**	**258,756**	**266,727**
Due to customers[1]	228,758	242,091	247,353
Net adjustments	-748	-748	-1,695
Adjusted due to customers[1]	**228,009**	**241,343**	**245,658**
Loan-to-Deposit ratio	**113%**	**107%**	**109%**

[1] The impact of the netting adjustment is included. Further details are provided in the Notes to the reader section of this report.

The netting adjustments relating to notional cash pooling balances and bank saving mortgages were made as from the second quarter and the fourth quarter respectively. Applying these changes retrospectively has led to an increase of EUR 3.5 billion in loans and receivables - customers and the due to customers balance for 31 December 2016 (30 September 2016: EUR 4.0 billion and 31 December 2015: EUR 17.1 billion). The impact on the LtD ratio was close to zero for all figures presented.

Net of notional cash pooling and bank saving mortgages, adjusted loans and receivables - customers amounted to EUR 253.4 billion at 31 December 2016 (30 September 2016: EUR 254.8 billion and 31 December 2015: EUR 249.7 billion). Adjusted due to customers decreased to EUR 224.5 billion at 31 December 2016 (30 September 2016: EUR 237.4 billion and 31 December 2015: EUR 228.6 billion).

The LtD ratio increased to 113% at 31 December 2016 (30 September 2016: 107% and 31 December 2015: 109%). The increase in the last quarter of 2016 was driven mainly by the decrease in due to customers. This is explained by the fact that Private Banking Asia and the Middle East was classified as held for sale (other liabilities) at December 2016 and by a decrease in short-term time deposits within Group Functions and Corporate Banking.

Liquidity buffer composition

	31 December 2016		30 September 2016		31 December 2015	
(in billions)	Liquidity buffer	LCR eligible	Liquidity buffer	LCR eligible	Liquidity buffer	LCR eligible
Cash & central bank deposits[1]	21.5	21.5	21.7	21.7	24.4	24.4
Government bonds	33.5	34.5	30.9	31.2	26.0	26.9
Covered bonds	2.2	2.1	1.8	1.7	1.4	1.3
Retained RMBS	11.5		23.3		24.0	
Third party RMBS	1.5	1.3	1.5	1.3	0.7	0.6
Other	8.8	9.2	9.7	10.2	6.3	3.3
Total liquidity buffer	**78.9**	**68.5**	**88.9**	**66.1**	**82.8**	**56.5**
- of which in EUR	90.3%		93.3%		94.1%	
- of which in other currencies	9.7%		6.7%		5.9%	

[1] The mandatory cash reserve with the central bank has been deducted from the cash and central bank deposits in the liquidity buffer.

The liquidity buffer consists largely of cash and deposits at central banks, government bonds and retained RMBS. Most of the securities in the liquidity buffer, with the exception of retained RMBS, qualify for the LCR. Furthermore, both the liquidity buffer and the LCR buffer face haircuts based on their market value. These haircuts are used to determine the liquidity value. Haircuts may differ between the two buffers as the internal assessment of the liquidity buffer deviates from Basel III regulations. This explains the differences between the liquidity values. Government bonds, for example, will be subject to a higher internal haircut than the haircut based on Basel III regulations. As a result, the value of government bonds for the liquidity buffer is lower than the value that qualifies for the LCR.

The liquidity buffer decreased to EUR 78.9 billion at 31 December 2016 (30 September 2016: EUR 88.9 billion and 31 December 2015: EUR 82.8 billion). This was driven mainly by a decrease in retained RMBS due to further optimisation of our liquidity position. Compared with 31 December 2015, government bonds increased due to the conversion of cash into financial investments and due to the inclusion of off-balance-sheet positions consisting of government bonds that qualify for the LCR.

Funding

ABN AMRO's strategy for wholesale funding is derived from the moderate risk profile. This strategy aims to optimise and diversify the bank's funding sources in order to maintain market access and reach the targeted funding position. ABN AMRO aims to have a balance sheet with a diverse, stable and cost-efficient funding base.

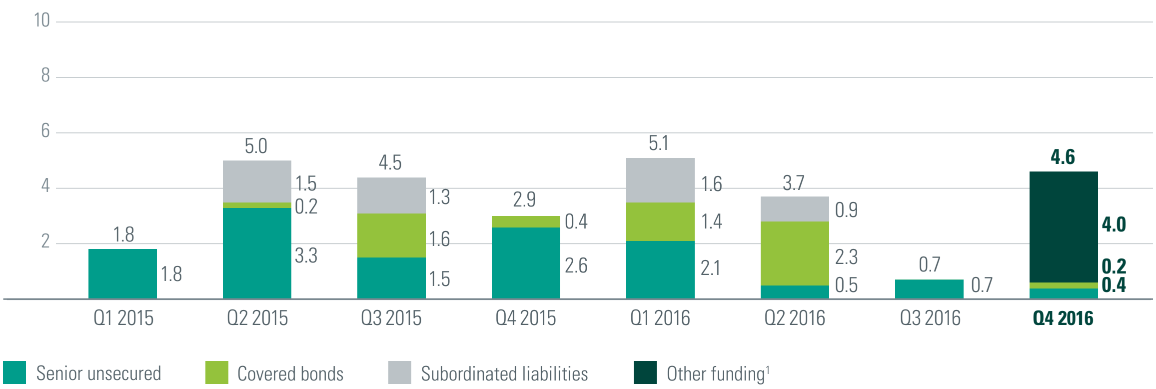
Client deposits are a source of funding, complemented by a well-diversified portfolio of wholesale funding. Excluding the impact of notional cash pooling and bank saving mortgages, client deposits decreased to EUR 224.5 billion at 31 December 2016 (30 September 2016: EUR 237.4 billion and 31 December 2015: EUR 228.6 billion). Total wholesale funding (defined as issued debt plus subordinated liabilities) increased to EUR 92.5 billion at 31 December 2016 (30 September 2016: EUR 90.9 billion and 31 December 2015: EUR 85.9 billion).

Long-term funding raised

Long-term funding raised in Q4 2016 amounted to EUR 4.6 billion, including a EUR 4.0 billion participation in Targeted Longer-Term Refinancing Operations (TLTRO II). Total long-term funding raised in 2016 amounts to EUR 14.0 billion. This includes EUR 3.9 billion of covered bonds, EUR 2.4 billion of Tier 2 capital instruments, EUR 3.7 billion of senior unsecured funding, and EUR 4.0 billion TLTRO II. The covered bonds issued are in line with the growing volume of mortgages with long-term fixed interest rate periods. Long-term covered bonds mitigate liquidity repricing risk resulting from mortgages with long-term fixed interest rate periods. The average maturity of the covered bonds issued in 2016 is 13 years. The instruments issued are included in the funding overview below. More information on capital instruments is provided in the Capital management section of this report.

Long-term funding raised in 2015 and 2016

(notional amounts at issuance, in billions)



[1] Other long-term funding includes TLTRO II, long-term repos and funding with the Dutch State as counterparty.

Overview of funding types

A key goal of the funding strategy is to diversify funding sources. The available funding programmes allow us to issue various instruments in different currencies and markets. This enables us to diversify our investor base.

A description of capital and funding instruments issued by ABN AMRO is provided on our website, abnamro.com/ir. We continuously assess our wholesale funding base in order to determine the optimal use of funding sources. Wholesale funding breaks down into the following categories:

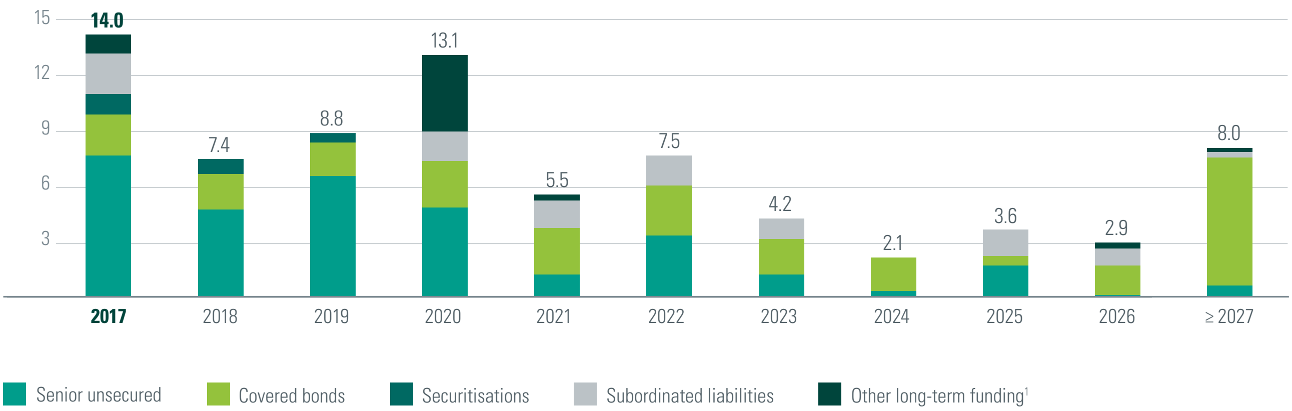
(in millions)	31 December 2016	30 September 2016	31 December 2015
Euro Commercial Paper	2,501	2,610	1,326
London Certificates of Deposit	8,843	5,506	3,744
French Certificats de Dépôt	651	35	164
US Commercial Paper	4,710	4,437	4,585
Total Commercial Paper/Certificates of Deposit	**16,705**	**12,589**	**9,820**
Senior unsecured (medium-term notes)	32,815	33,998	37,404
Covered bonds	29,355	30,231	25,956
Securitisations	2,350	2,950	2,968
Saving certificates	52	52	59
Total issued debt	**81,278**	**79,819**	**76,207**
Subordinated liabilities	11,171	11,115	9,708
Total wholesale funding	**92,450**	**90,934**	**85,915**
Other long-term funding[1]	5,843	1,841	6,813
Total funding instruments[2]	**98,292**	**92,775**	**92,728**
- of which CP/CD matures within one year	16,705	12,589	9,820
- of which funding instruments (excl. CP/CD) matures within one year	14,244	12,750	12,044
- of which matures after one year	67,342	67,437	70,865

1 Includes long-term repos (recorded in securities financing), TLTRO funding (recorded in due to banks) and funding with the Dutch State as counterparty (recorded in due to customers).
2 Includes FX effects, fair value adjustments and interest movements.

Total wholesale funding (issued debt and subordinated liabilities) increased to EUR 92.5 billion at 31 December 2016 (30 September 2016: EUR 90.9 billion and 31 December 2015: EUR 85.9 billion). The rise since 30 September 2016 was due mainly to an increase in commercial paper and certificates of deposit, within our targeted bandwidth for short-term funding, allowing us to steer our liquidity ratios more efficiently. We also repaid TLTRO I in Q2 2016 and participated in TLTRO II in Q4 2016, which explains the movement in other long-term funding.

Maturity calendar

Maturity calendar at 31 December 2016
(notional amounts, in billions)



1 Other long-term funding includes TLTRO II, long-term repos and funding with the Dutch State as counterparty.

											31 December 2016
(notional amounts, in billions)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	≥ 2027	Total
Senior unsecured	7.6	4.7	6.5	4.8	1.2	3.3	1.2	0.3	1.7	0.1	0.6	31.9
Covered bonds	2.2	1.9	1.8	2.5	2.5	2.7	1.9	1.8	0.5	1.6	6.9	26.4
Securitisations	1.1	0.8	0.5									2.4
Subordinated liabilities	2.2			1.6	1.5	1.6	1.1		1.4	0.9	0.3	10.6
Other long-term funding[1]	1.0			4.1	0.3					0.3	0.2	5.8
Total	**14.0**	**7.4**	**8.8**	**13.1**	**5.5**	**7.5**	**4.2**	**2.1**	**3.6**	**2.9**	**8.0**	**77.1**

1 Other long-term funding includes TLTRO II, long-term repos and funding with the Dutch State as counterparty.

The average remaining maturity of the total outstanding long-term wholesale funding increased to 4.7 years at 31 December 2016 (30 September 2016: 4.5 years and 31 December 2015: 4.6 years).

The maturity calendar assumes redemption on the earliest possible call date or the legal maturity date. Early redemption of subordinated instruments is subject to the approval of the regulators. However, this does not mean that the instruments will be called at the earliest possible call date. TLTRO II is recorded at a maturity of four years, but has a voluntary repayment option after two years.

Capital management

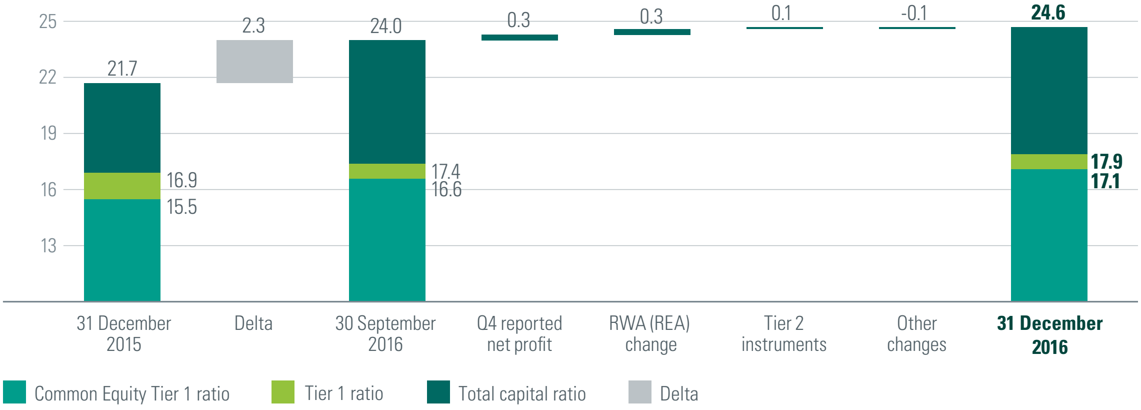
ABN AMRO's solid capital position ensures that the bank is compliant with the fully-loaded capital requirements of the Capital Requirements Directive IV (CRD IV). The overall capital base increased slightly during Q4 2016 due to accumulated profit. The bank strives to optimise its capital structure in anticipation of pending regulatory requirements. The capital structure consists mainly of common equity and loss-absorbing capital to cover unexpected losses. The subordination of capital instruments provides further protection to senior creditors.

Regulatory capital structure

(in millions)	31 December 2016	30 September 2016	31 December 2015
Total equity (EU IFRS)	**18,937**	**18,152**	**17,584**
Cash flow hedge reserve	843	1,167	1,056
Dividend reserve	-414	-272	-414
Capital securities	-993	-993	-993
Other regulatory adjustments	-598	-538	-466
Common Equity Tier 1	**17,775**	**17,517**	**16,768**
Innovative hybrid capital instruments			700
Capital securities	993	993	993
Other regulatory adjustments	-164	-158	-234
Tier 1 capital	**18,605**	**18,352**	**18,226**
Subordinated liabilities Tier 2	7,150	7,004	4,938
Excess Tier 1 capital recognised as Tier 2 capital			300
Other regulatory adjustments	-118	-56	-33
Total regulatory capital	**25,637**	**25,299**	**23,431**
Total risk-weighted assets (risk exposure amount)	**104,215**	**105,318**	**108,001**
Common Equity Tier 1 ratio	17.1%	16.6%	15.5%
Tier 1 ratio	17.9%	17.4%	16.9%
Total capital ratio	24.6%	24.0%	21.7%
Common Equity Tier 1 capital (fully-loaded)	17,761	17,497	16,695
Common Equity Tier 1 ratio (fully-loaded)	17.0%	16.6%	15.5%
Tier 1 capital (fully-loaded)	18,749	18,489	17,688
Tier 1 ratio (fully-loaded)	18.0%	17.6%	16.4%
Total capital (fully-loaded)	24,107	23,740	20,624
Total capital ratio (fully-loaded)	23.1%	22.5%	19.1%

Developments impacting capital ratios

Developments impacting capital ratios in Q4 2016
(in %)



At 31 December 2016, the phase-in Common Equity Tier 1 (CET1), Tier 1 and Total Capital ratios were 17.1%, 17.9% and 24.6% respectively. All capital ratios were well above regulatory minimum requirements and in line with the bank's risk appetite and strategic ambitions. ABN AMRO's CET1 ratio strengthened during Q4 2016, as a result of profit accumulation and a reduction of RWA. At 31 December 2016, the fully-loaded CET1, fully-loaded Tier 1 and fully-loaded Total Capital ratios were 17.0%, 18.0% and 23.1% respectively.

The group level RWA (REA) decreased to EUR 104.2 billion at 31 December 2016 (30 September 2016: EUR 105.3 billion). More information on RWA (REA) is provided in the Risk section of this report.

All risk-weighted capital ratios increased materially at 31 December 2016 compared with 31 December 2015. In Q1 2016, ABN AMRO redeemed two grandfathered instruments which had a remaining eligibility for regulatory capital of EUR 1.2 billion at 31 December 2015. Specifically, the bank redeemed a GBP 150 million Tier 2 instrument and a EUR 1.0 billion Tier 1 instrument (of which EUR 700 million was eligible for Tier 1 and EUR 300 million was eligible for Tier 2 capital at 31 December 2015). Profit accumulation, a decrease of RWA and Tier 2 issuances have more than compensated for these redemptions. This led to a 1.5 percentage point increase in the fully-loaded CET1 ratio and a 1.6 percentage point increase in the fully-loaded Tier 1 ratio at 31 December 2016 compared with 31 December 2015. Finally, the fully-loaded Total Capital ratio increased by 4.0 percentage points over the past year.

ABN AMRO is required in 2017 to meet a minimum CET1 ratio of 9.0% on a consolidated basis, excluding a counter-cyclical buffer, but including a 1.25% capital conservation buffer and a 1.5% systemic risk buffer (SRB). ABN AMRO is comfortably above the 9.0% minimum, with phase-in CET1 ratio amounting to 17.1% and the fully-loaded CET1 ratio amounting to 17.0% at 31 December 2016.

The MDA trigger level for ABN AMRO Bank N.V. is 9.0% CET1 capital, to be increased by any AT1 or Tier 2 capital shortfall. At year-end 2016, the AT1 shortfall was 0.7%, implying an MDA trigger level of 9.7% for 2017. Based on full phase-in of the systemic risk buffer (from 1.5% in 2017 to 3.0% in 2019) and the capital conservation buffer (from 1.25% in 2017 to 2.5% in 2019), the fully-loaded MDA trigger level is expected to increase to 11.75% in 2019, assuming there is no AT1 or Tier 2 capital shortfall.

ABN AMRO expects its future CET1 capital target to end up at 13.5%, which is at the upper end of the current 11.5-13.5% CET1 target range. This expectation is based on the SREP requirement, the fully-loaded systemic risk and capital conservation buffer, Pillar 2 capital guidance and the management buffer. It excludes possible implications and consequences of revisions to the calculation of risk-weighted assets (Basel IV). Given this uncertainty, ABN AMRO continues to hold a buffer above the current CET1 target range.

Dividend

ABN AMRO proposes a final cash dividend of EUR 414 million or EUR 0.44 per share. Together with the interim cash dividend of EUR 376 million, this will bring the total dividend for 2016 to EUR 790 million or EUR 0.84 per share and the payout ratio to 45% of reported net earnings after deduction of AT1 coupon payments. In 2015, ABN AMRO paid a 40% dividend of EUR 0.81 per share, or EUR 763 million, of which EUR 350 million (EUR 0.37 per share) was interim dividend and EUR 414 million (EUR 0.44 per share) was final dividend.

ABN AMRO's dividend policy takes into account matters including current and pending regulatory capital requirements, our risk profile, growth in commercial activities and market factors. The dividend payout is set in light of the bank's moderate risk profile and regulatory changes, in order to ensure that dividend payments can be maintained in the future. Our intention is to increase the dividend payout ratio to 50% of the reported net profit in 2017.

Leverage ratio

	31 December 2016		30 September 2016	31 December 2015
(in millions)	Phase-in	Fully-loaded	Fully-loaded	Fully-loaded
Tier 1 capital	**18,605**	**18,749**	**18,489**	**17,688**
Exposure measure (under CDR)				
On-balance sheet exposures	394,482	394,482	425,062	405,840
Off-balance sheet exposures	32,420	32,420	29,121	29,183
On-balance sheet netting	13,539	13,539	15,849	11,098
Derivative exposures	50,248	50,248	48,300	31,541
Securities financing exposures	2,686	2,686	2,803	1,317
Other regulatory measures	-13,366	-13,271	-16,956	-14,322
Exposure measure	**480,009**	**480,104**	**504,179**	**464,657**
Leverage ratio (CDR)	**3.9%**	**3.9%**	**3.7%**	**3.8%**

The CRR introduced a non-risk based leverage ratio which will be monitored until 2017 and further refined and calibrated before becoming a binding measure as from 2018. The Commission Delegated Regulation (CDR), applicable since 1 January 2015, amended the definition of the leverage ratio to enhance comparability of leverage ratio disclosures. ABN AMRO aims for a leverage ratio of at least 4% by year-end 2018, to be achieved through the issuance of AT1 instruments, management of the exposure measure and profit retention.

At 31 December 2016, the CDR fully-loaded leverage ratio was 3.9% (30 September 2016: 3.7%). The leverage ratio increased by 0.2 percentage points, which can be primarily attributed to seasonal volatility of the balance sheet towards year-end.

The fully-loaded leverage ratio increased by 0.1 percentage point to 3.9% at 31 December 2016 over the full year (31 December 2015: 3.8%). The increase can be attributed to profit accumulation, which more than offsets a EUR 15 billion increase in the exposure measure.

On 6 April 2016, the Basel Committee issued a consultative document on the revision to the Basel III leverage ratio framework. Among the areas subject to proposed revision in this consultative document are the change in calculation of the derivative exposure and the credit conversion factors for off-balance sheet items. The revised calculation method of derivative exposure is also mentioned in a draft CRR regulation published in December 2016, which could result in a decrease of the exposure measure for clearing guarantees. This decrease would amount to approximately EUR 40-50 billion, or a 35-45bps increase in the fully-loaded leverage ratio. An adjustment of credit conversion factors for off-balance sheet exposures, for example unconditionally cancellable commitments, would partly offset this potential increase.

MREL

(in millions)	31 December 2016	30 September 2016	31 December 2015
Regulatory capital	25,637	25,299	23,431
Other MREL eligible capital[1]	3,376	3,223	3,162
Total assets[2]	394,482	425,062	390,317
MREL[3]	7.4%	6.7%	6.8%

1 Other MREL eligible capital includes subordinated liabilities that are not included in regulatory capital.
2 For management view purposes the historical periods before 31 December 2016 have not been adjusted for the revised accounting related to the netting. Further details are provided in the Notes to the reader section of this report.
3 MREL is calculated as total regulatory capital plus other MREL eligible subordinated liabilities divided by total IFRS assets.

The Bank Recovery and Resolution Directive (BRRD) provides authorities with more comprehensive and effective measures to deal with failing banks. Implementation of the BRRD in the European Union began in 2015 and the bail-in framework has been applicable since January 2016. Implementation of the bail-in framework has led to the introduction of additional loss-absorbing measures, such as the Minimum Requirement for own funds and Eligible Liabilities (MREL).

ABN AMRO monitors the pending regulatory requirements in relation to MREL and aims for an MREL of at least 8% by year-end 2018 (through profit retention, subordinated debt and potentially non-preferred senior debt). The final MREL terms, as well as bank-specific MREL requirements, will determine what precise measures we will undertake to comply with these requirements. At 31 December 2016, the Group had a 7.4% MREL (solely based on own funds and other subordinated liabilities). MREL increased by 0.6 percentage point compared with 31 December 2015, primarily driven by Tier 2 issuances and profit accumulation over 2016.

ABN AMRO expects to continue to issue new subordinated capital instruments and potentially non-preferred senior debt to further increase its buffer of loss-absorbing instruments to above 8% in 2018 in view of scheduled amortisations and regulatory uncertainties.

Resolution entity

Following discussions with the Single Resolution Board (SRB) throughout 2016, and subject to final SRB confirmation expected early 2017, we have concluded that ABN AMRO Bank N.V. should be our designated resolution entity. As all capital and debt instruments have been issued in the past by ABN AMRO Bank N.V., no structural changes are expected to prevent ABN AMRO Bank N.V. from continuing to issue capital and debt instruments in the future, including any loss-absorbing instruments for resolution purposes, if and when required.

Regulatory capital developments

CRD IV and CRR set the framework for implementation of Basel III in the European Union. CRD IV and CRR have been phased in since 1 January 2014 and will be fully effective by January 2019. Further to this, the European Commission has recently issued draft texts to amend CRD IV and CRR.

Also commonly referred to as Basel IV, the Basel Committee on Banking Supervision has presented two consultative papers on a revision of the Standardised Approach and the design of a capital floor framework based on this revised Standardised Approach. This framework will replace the current transitional floor based on the Basel I standard. The aim of the revised capital floor framework is to enhance the reliability and comparability of risk-weighted capital ratios. Revision of the Standardised Approach for Residential Real Estate and SMEs in combination with revision of the capital floors could lead to a significant increase in risk-weighted assets for ABN AMRO.

Regulatory developments, such as the Basel proposal (especially with respect to risk-weighting of mortgages and corporate loans) and increasingly strict capital requirements set by the regulators could have a significant impact on the bank's capital position going forward. Hence, ABN AMRO will continue to focus on capital efficiency and will further strengthen its capital position.

ABN AMRO continues to monitor TLAC (Total Loss-Absorbing Capacity) requirements following publication of the final terms in November 2015. Although TLAC is not directly applicable to ABN AMRO, the current ambition to steer MREL to 8% would more than cover final TLAC requirements. Further proposals for amendment indicate further convergence between TLAC and MREL requirements.

Other

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Enquiries

Enquiries

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Investor call

A conference call will be hosted by the Managing Board for analysts and investors on Wednesday 15 February 2017 at 11:00 am CET (10:00 GMT).

To participate in the conference call, we strongly advise analysts and investors to pre-register for the call using the information provided on the ABN AMRO Investor Relations website.

More information can be found on our website www.abnamro.com/ir.

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Information on our website does not form part of this Quarterly Report, unless expressly stated otherwise.

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Forward-looking statements are not historical facts and represent only ABN AMRO's current views and assumptions on future events, many of which, by their nature, are inherently uncertain and beyond our control. Factors that could cause actual results to differ materially from those anticipated by forward-looking statements include, but are not limited to, (macro)-economic, 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.

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