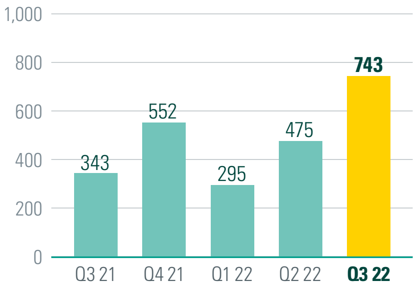
Quarterly Report

ABN AMRO Bank N.V.

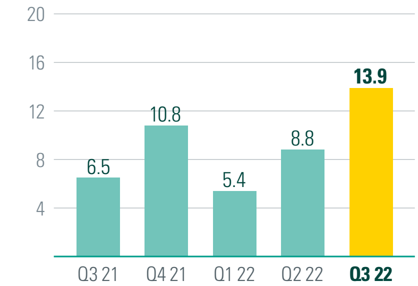
Third quarter 2022

Figures at a glance

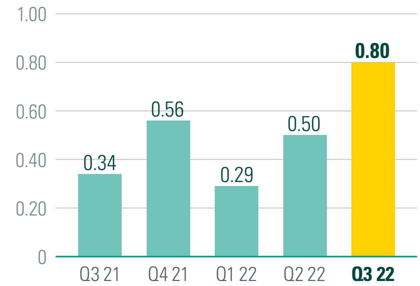
Net profit/(loss)
(in millions)



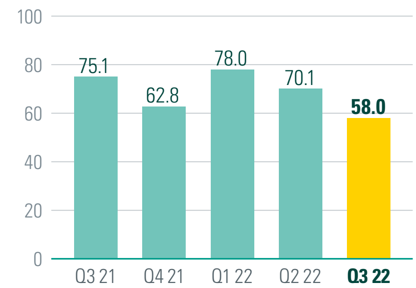
Return on equity
(in %) Target is 8%



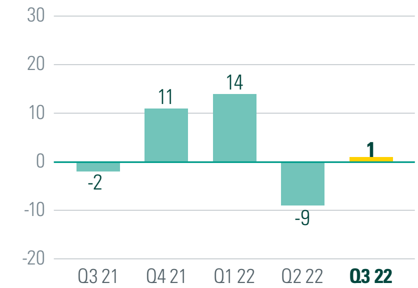
Earnings per share
(in EUR)



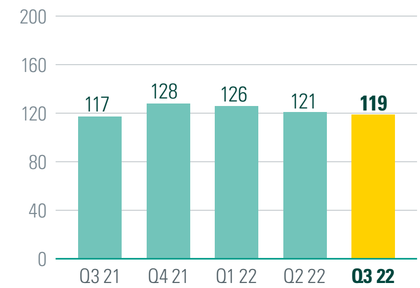
Cost/income ratio
(in %)



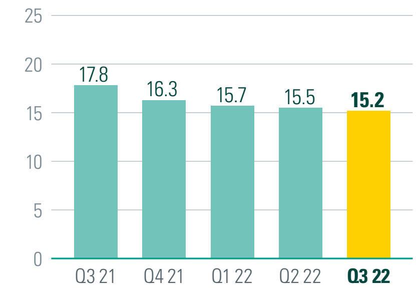
Cost of risk
(in bps) Through-the-cycle around 20bps



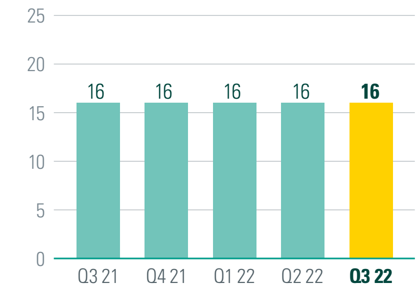
Net interest margin
(in bps)



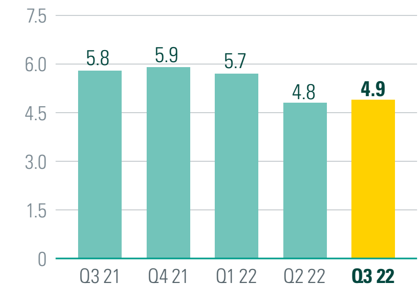
CET1 ratio (Basel III)
(end-of-period, in %)



CET1 ratio (Basel IV)
(end-of-period, in %) Target is 13%



Leverage ratio (CRR2)
(end-of-period, in %)



For more information about net profit, return on equity, earnings per share, cost/income ratio, cost of risk and net interest margin, please refer to the Financial review section.
For more information about CET1 ratio (Basel III and Basel IV) and leverage ratio, please refer to the Capital management section.

Highlights of the quarter and **message from the CEO**

Highlights of the quarter

- Good quarter with a net profit of EUR 743 million reflecting a strong recovery in deposit margins supported by a book profit on disposals and low impairments.
- Continued growth in mortgage and corporate loan books. Market leader in mortgages, with a market share of 19.1% in Q3.
- Net interest income (NII) has bottomed out as deposit margins are benefiting from higher interest rates; outlook for the year has improved and NII is expected to be around EUR 5.3 billion for the full year (excluding incidentals).
- Underlying costs were 2% lower than in Q2; we expect full-year costs to be around EUR 5.3 billion, excluding incidentals and additional costs for the new CLA.
- Impairments were EUR 7 million as the deteriorating macroeconomic outlook was offset by releases on non-performing loans. Prudent buffers remain in place.
- Our capital position remains strong, with a fully-loaded Basel III CET1 ratio of 15.2% and a Basel IV CET1 ratio of around 16%. Risk-weighted assets increased by EUR 4.3 billion.
- Uncertainty about economic developments remains high, but we are well positioned and will continue to support our clients in these challenging times.

Message from the CEO

The third quarter was again dominated by global events. The war in Ukraine has led to one of the largest humanitarian crises in decades, of which the long-term consequences are still difficult to assess. After a strong post-Covid recovery in the Netherlands, economic growth is starting to slow down due to high inflation, especially owing to the sharp rise in energy prices, combined with higher interest rates. The Dutch economy has strong fundamentals and the government is stepping in with support packages to ease the purchasing power shock. Uncertainty about economic developments remains high and we expect an economic slowdown. Although we are concerned about the outlook, we are well positioned to weather this environment and will continue to support our clients in these challenging times.

We maintained strong momentum in the third quarter as our mortgage and corporate loan books continued to grow. Our market share in mortgages improved further to 19.1% in Q3 and we remained the market leader in the Netherlands. We still face pressure on margins for mortgages and corporate loans due to a delay in passing on higher funding costs to clients.

In the third quarter, we delivered a good quarterly result, with a net profit of EUR 743 million and an ROE of 13.9%, supported by a book profit on disposals and low impairments. NII, excluding incidentals, has bottomed out as deposit margins continued to improve in the higher interest rate environment. We now expect NII to be around EUR 5.3 billion for the full year (excluding incidentals). Fee income increased by 7% compared with Q3 2021, driven by higher payment volumes, pricing and strong results at Clearing. Net new assets at Wealth Management, excluding custody assets, increased by EUR 1.0 billion. Costs in the third quarter came down by 2% (excluding incidentals and regulatory levies) compared with Q2 due to lower staff costs. We expect full-year costs to be around EUR 5.3 billion, excluding incidentals and additional costs for the new CLA.

Against the backdrop of uncertainty and volatile markets, we continue to focus on risk management. Credit quality remains good and impairments were EUR 7 million for the quarter as the deteriorating macroeconomic outlook was offset by releases of non-performing loans. We continue to monitor second-order impacts on our clients caused by the war in Ukraine, including energy-intensive sectors, and prudent buffers remain in place. Risk-weighted assets increased by EUR 4.3 billion, mainly due to an adjustment in the application of the SME support factor and changes in the regulatory approach to models. Our capital position remains strong, with a fully-loaded Basel III CET1 ratio of 15.2% and a Basel IV CET1 ratio of around 16%. We are making progress in our AML remediation programmes, but ongoing effort is required to complete the programmes before the end of 2023.

We continue to deliver on our strategy to improve our performance and meet our bank-wide strategic targets. The three pillars of our strategy – customer experience, sustainability and future-proof bank – will drive profitable growth while we increase operational and capital efficiency. We took our customer experience a step further as we are continually developing new propositions for our clients both within our own digital channels and embedded in third-party digital channels. ID & pay is an embedded banking innovation that simplifies the onboarding and payment process for clients such as online brokers and shared mobility services. This app provides a single digital identification and payment functionality within the bank's secure environment. We are currently piloting the app with Swapfiets, a 'bicycle as a service' company. Meanwhile Tikkie, serving some eight million users in the Netherlands, introduced a new feature called Groepie, which allows multiple users to track and settle costs incurred as a group.

As we further integrate sustainability into the core of our business, we recently financed a housing development project with sustainable and affordable homes to help meet demand, as the housing shortage in the Netherlands remains severe. Our mortgage label Florius now offers senior clients financing solutions for intergenerational and informal caregiver homes, supporting their mobility in the housing market and enabling future-proof living. Next month, we will present our climate strategy as we take the next step in our climate journey. We will present intermediate targets for 2030 for five carbon-intensive sectors as well as for our client assets portfolio and we will provide a clear roadmap for further target setting. Our climate journey ahead will depend on many factors including regulation, technological developments and global events. In our climate strategy, we will provide a compass on how we make decisions going forward.

We are building a future-proof bank. The digital customer experience is the main reason for many clients to recommend our bank, and I am pleased that the third-quarter NPS for both consumer and corporate clients improved compared with Q2, with clients praising the functionalities of the ABN AMRO app and Internet Banking. To strengthen the focus on mobile banking, the key features of Grip, our personal finance management app, will be integrated into the ABN AMRO app, giving all users direct insight into their personal finances. Meanwhile, vulnerable clients who have difficulty keeping pace with technology can now attend special walk-in clinics at libraries throughout the Netherlands. The clinics are run by retired ABN AMRO staff on a volunteer basis.

Last month, we announced the departure of our Chief Human Resources Officer Gerard Penning. We are grateful for his dedication and hard work in recent years. Meanwhile, I am very much looking forward to the arrival of Carsten Bittner as our new Chief Innovation & Technology Officer. He will be central to ABN AMRO's strategy of becoming a personal bank in the digital age.

I would like to extend my gratitude to all my colleagues for their strong commitment and drive, and I am pleased we have reached a new collective labour agreement. We will continue to focus on being the preferred partner for our clients, especially in these challenging times, and would like to thank them for placing their trust in us.

Robert Swaak
CEO of ABN AMRO Bank N.V.

Financial review

This financial review includes a discussion and analysis of the results and sets out the financial position of ABN AMRO.

Results

Operating results

(in millions)	Q3 2022	Q3 2021	Change	Q2 2022	Change	Nine months 2022	Nine months 2021	Change
Net interest income	1,276	1,202	6%	1,273		3,859	3,871	
Net fee and commission income	441	413	7%	448	-2%	1,336	1,218	10%
Other operating income	446	119		163		785	224	
Operating income	**2,162**	**1,734**	**25%**	**1,884**	**15%**	**5,979**	**5,313**	**13%**
Personnel expenses	605	575	5%	619	-2%	1,824	1,753	4%
Other expenses	649	727	-11%	702	-8%	2,259	2,619	-14%
Operating expenses	**1,254**	**1,301**	**-4%**	**1,321**	**-5%**	**4,082**	**4,372**	**-7%**
Operating result	**908**	**432**	**110%**	**563**	**61%**	**1,897**	**940**	**102%**
Impairment charges on financial instruments	7	-12		-62		7	-168	
Profit/(loss) before taxation	**902**	**444**	**103%**	**626**	**44%**	**1,890**	**1,108**	**71%**
Income tax expense	159	102	56%	151	5%	377	426	-12%
Profit/(loss) for the period	**743**	**343**	**117%**	**475**	**56%**	**1,513**	**682**	**122%**
Attributable to:								
Owners of the parent company	743	343	117%	475	56%	1,513	679	123%
Non-controlling interests					31%		3	
Other indicators								
Net interest margin (NIM) (in bps)	119	117		121		122	126	
Cost/income ratio	58.0%	75.1%		70.1%		68.3%	82.3%	
Cost of risk (in bps)[1]	1	-2		-9		1	-13	
Return on average equity[2]	13.9%	6.5%		8.8%		9.4%	4.2%	
Earnings per share (in EUR)[3, 4]	0.80	0.34		0.50		1.59	0.65	
Client assets (end of period, in billions)	292.6	306.0		297.2				
Risk-weighted assets (end of period, in billions)	131.0	110.6		126.7				
Number of employees (end of period, in FTEs)	20,128	19,700		20,079				
Number of non-employees (end of period, in FTEs)	5,207	6,238		5,933				

1 Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding fair value adjustments from hedge accounting.
2 Annualised profit/(loss) for the period, excluding payments attributable to AT1 capital securities and results attributable to non-controlling interests, divided by the average equity attributable to the owners of the company excluding AT1 capital securities.
3 Annualised profit/(loss) for the period, excluding payments attributable to AT1 capital securities and results attributable to non-controlling interests, divided by the average outstanding and paid-up ordinary shares.
4 For the first three quarters of 2022, the average number of outstanding shares amounted to 911,102,969.

Large incidentals

Q3 2022

Provision for variable interest compensation
On August 10 2022, the Appeals Board of the Dutch Financial Services Complaints Authority (Kifid) ruled that clients with interest rates that were not sufficiently aligned with market rates should also be compensated for compound interest (interest on interest). In Q3 2022, this provision was therefore increased by EUR 110 million for client compensation (recorded under net interest income) and by EUR 12 million for additional handling costs (recorded under other expenses) at Personal & Business Banking. In Q3 2021 this provision had been increased by EUR 217 million, of which EUR 174 million was recorded in net interest income (client compensation) and EUR 44 million in other expenses (handling costs).

Additional TLTRO discount
Q3 2022 included EUR 44 million in net interest income for an additional TLTRO discount (Q2 2022: EUR 41 million). The majority of this benefit is being passed on to our clients.

Release EURIBOR provision
The Court of Appeal in The Hague issued a ruling on 11 October 2022 in the EURIBOR mortgages case. This ruling was favourable for ABN AMRO. In Q3 2022, the EURIBOR provision was released to the P&L for an amount of EUR 28 million, under net interest income mainly at Personal & Business Banking.

Sale ABN AMRO Life Insurance
On 2 July 2022, Nationale Nederlanden ABN AMRO Verzekering Holding (in which ABN AMRO has a 49% interest) completed the sale of the life insurance business to NN Group. This resulted in a profit of EUR 42 million, recorded under other operating income at Personal & Business Banking.

Sale ABN AMRO Pensioeninstelling
On 1 September 2022, the sale of ABN AMRO Pensioen-instelling to Achmea was finalised. Profit from the sale amounted to EUR 73 million, recorded under other operating Income at Wealth Management.

Sale MP Solar
In Q3 2022, ABN AMRO divested its stake in MP Solar. The gain on this transaction (around EUR 60 million) was recorded under other operating income at Corporate Banking.

Q3 2021 & Q2 2022

Positive revaluation claim on DSB bankruptcy estate
Q3 2021 included a positive revaluation of EUR 26 million for a claim on the DSB bankruptcy estate, which related to the sale of the underlying mortgage portfolio to NIBC and was recorded in net interest income at Group Functions.

Provision for AML remediation programmes
Other expenses in Q2 2022 included a EUR 34 million addition to the provisions for the AML remediation programmes, recorded mainly at Group Functions and for a small part at Personal & Business Banking.

Third-quarter 2022 results

Net interest income amounted to EUR 1,276 million (Q3 2021: EUR 1,202 million). Excluding large incidentals, net interest income decreased by EUR 36 million, mainly due to higher steering costs at Treasury, a decrease in mortgage prepayment penalties, lower asset margins (mainly in mortgages) and the ongoing wind-down of the Corporate Banking non-core portfolio. This was mitigated by higher deposit margins as we started to benefit from rising interest rates, despite the decrease of negative interest rates on deposits in excess of EUR 100,000 to -25bps as of 1 August 2022. From 1 October 2022, ABN AMRO will not charge clients any negative interest rate for deposits, and from 1 December the interest rate on savings accounts will increase by 25bps.

The net interest margin remained nearly flat at 119bps in Q3 2022 (Q3 2021: 117 bps), as the rise in net interest income was offset by a larger average amount of total assets on the balance sheet.

In comparison with Q2 2022, net interest income increased slightly by EUR 3 million. Excluding large incidentals, net interest income improved by EUR 82 million on the previous quarter, mainly due to higher deposit margins as interest rates continued to rise.

Net fee and commission income increased to EUR 441 million (Q3 2021: EUR 413 million), largely driven by higher transaction volumes and pricing at Personal & Business Banking and higher transaction volumes at Clearing resulting from increased market volatility. These were partially offset by lower asset management fees at Wealth Management, as negative stock market developments during 2022 pushed down assets under management and the related fees.

In comparison with Q2 2022, net fee and commission income declined by EUR 7 million. The decline was largely attributable to a decline in fee income at Wealth Management (negative stock market developments in Q3) and a seasonal decline in capital market fee income at CB (Global Markets), partly offset by higher transaction volumes and payment fees at Personal & Business Banking.

Other operating income totalled EUR 446 million in Q3 2022 (Q3 2021: EUR 119 million). Excluding large incidentals, other operating income was higher than in Q3 2021, mainly due to volatile items. These included higher asset and liability management results at Treasury (EUR 104 million versus EUR 15 million in Q3 2021), CVA/DVA/FVA[1] results (EUR 27 million in Q3 2022 versus EUR 2 million in Q3 2021) and slightly lower equity participation results (EUR 7 million in Q3 2022, excluding the divestment of MP Solar, versus EUR 19 million in Q3 2021).

Compared with Q2 2022, other operating income increased by EUR 108 million, excluding large incidentals. The increase was mainly caused by a positive equity stake revaluation and volatile items: EUR 39 million higher asset and liability management results at Treasury, EUR 9 million higher CVA/DVA/FVA and EUR 19 million lower equity participation results, excluding the MP Solar divestment.

Personnel expenses totalled EUR 605 million (Q3 2021: EUR 575 million) and increased by EUR 31 million, mainly driven by a positive one-off recorded in Q3 2021 and to a lesser extent a rise in FTEs for IT and AML activities.

Personnel expenses were EUR 14 million lower than in Q2 2022, largely reflecting collective labour agreement (CLA) related one-offs in Q2 2022.

Employee FTEs were up 428 from Q3 2021, totalling 20,128. The growing workforce was mainly driven by an increase in FTEs for IT and AML activities, and partly mitigated by progress made in the CB non-core wind-down.

Compared to Q2 2022, there was an increase of 49 FTEs, driven by the same factors.

Other expenses amounted to EUR 649 million (Q3 2021: EUR 727 million). Excluding incidentals, other expenses decreased by EUR 46 million, mainly as a result of lower regulatory levies and lower non-employee FTEs, mainly in AML activities. Compared with Q3 2021, non-employee FTEs for AML activities decreased by around 800, as a combined result of cases already remediated and increased efficiency.

In comparison with Q2 2022, other expenses decreased by EUR 53 million. Excluding incidentals, the decrease was EUR 31 million, driven by the same factors.

Impairment charges showed a net charge of EUR 7 million (Q3 2021: EUR 12 million release) as a result of additions in stage 1 and 2, offset by a net release in stage 3. The additions in stage 1 and 2 were mainly caused by worsening macroeconomic scenarios, increased management overlays and other adjustments. A new management overlay was formed for the potential impact of the government's nitrogen reducing measures on clients in livestock farming businesses in the Netherlands. The releases in stage 3 can be largely attributed to better performance of the existing defaulted portfolio, repayments of stage 3 loans, outflow to the performing portfolio and recoveries with lower than anticipated losses.

Income tax expenses totalled EUR 159 million in Q3 2022 (Q3 2021: EUR 102 million), while profit before tax amounted to EUR 902 million, resulting in an effective tax rate of 17.6%, reflecting tax exempted sale proceeds of large incidentals, and interest coupons charged to equity and paid on AT1 instruments, which were deductible for tax purposes in Q3.

Profit attributable to owners of the parent company came to EUR 743 million in Q3 2022 (Q3 2021: EUR 343 million). Excluding payments attributable to AT1, this amounted to EUR 720 million in Q3 2022.

RWA went up to EUR 131.0 billion in Q3 2022 (30 June 2022: EUR 126.7 billion), reflecting higher credit risk RWA. This increase was predominantly attributable to a change in the regulatory treatment of certain models from Advanced IRB to Foundation IRB and an adjustment in the application of the SME support factor due to deficiencies in the implementation.

[1] Credit Valuation Adjustment/Debit Valuation Adjustment/Funding Valuation Adjustment (CVA/DVA/FVA).

Balance sheet

Condensed consolidated statement of financial position

(in millions)	30 September 2022	30 June 2022	31 December 2021
Cash and balances at central banks	68,336	69,784	66,865
Financial assets held for trading	1,946	2,421	1,155
Derivatives	6,577	5,096	3,785
Financial investments	40,394	40,762	43,165
Securities financing	31,991	27,647	16,138
Loans and advances banks	4,217	3,766	2,801
Loans and advances customers	260,929	259,641	258,251
Other	9,989	12,387	6,955
Total assets	**424,377**	**421,504**	**399,113**
Financial liabilities held for trading	1,023	1,394	687
Derivatives	5,399	3,799	4,344
Securities financing	17,692	18,643	9,494
Due to banks	40,712	40,168	38,076
Due to customers	273,856	265,191	251,218
Issued debt	48,590	53,431	59,688
Subordinated liabilities	6,685	7,658	7,549
Other	7,696	8,693	6,059
Total liabilities	**401,653**	**398,977**	**377,114**
Equity attributable to the owners of the parent company	22,723	22,523	21,994
Equity attributable to non-controlling interests	2	5	5
Total equity	**22,725**	**22,528**	**21,999**
Total liabilities and equity	**424,377**	**421,504**	**399,113**
Committed credit facilities	53,550	55,464	54,642
Guarantees and other commitments	7,559	7,567	7,598

Main developments in total assets compared with 30 June 2022

Total assets increased by EUR 2.9 billion, coming to EUR 424.4 billion at 30 September 2022, largely driven by a rise in securities financing, derivatives and loans and advances to customers, partly offset by a decline in other assets.

Securities financing assets increased by EUR 4.3 billion, totalling EUR 32.0 billion at 30 September 2022, mainly due to higher transaction volumes.

Loans and advances customers increased by EUR 1.3 billion, totalling EUR 260.9 billion. The increase was mainly attributable to an increase of EUR 3.2 billion in client loans and EUR 1.6 billion in loans to professional counterparties, partly offset by a EUR 3.6 billion decrease in fair value adjustments from hedge accounting on residential mortgages.

Loans and advances customers

(in millions)	30 September 2022	30 June 2022	31 December 2021
Residential mortgages	150,510	148,773	146,351
Consumer loans	10,400	10,603	10,794
Corporate loans to clients[1]	81,918	80,223	77,965
- of which Personal & Business Banking	*9,332*	*9,433*	*9,920*
- of which Corporate Banking	*66,589*	*64,842*	*62,230*
- of which Corporate Banking - core	*64,993*	*63,117*	*60,269*
- of which Corporate Banking - non-core	*1,597*	*1,725*	*1,961*
Total client loans[2]	**242,828**	**239,598**	**235,110**
Loans to professional counterparties and other loans[2,3]	29,683	28,098	23,605
Total loans and advances customers, gross[2]	**272,510**	**267,696**	**258,715**
Fair value adjustments from hedge accounting	-9,345	-5,665	1,951
Total loans and advances customers, gross	**263,166**	**262,031**	**260,666**
Loan impairment allowances	2,237	2,390	2,416
- of which Corporate Banking - non-core	*337*	*421*	*443*
Total loans and advances customers	**260,929**	**259,641**	**258,251**

1 Corporate loans excluding loans to professional counterparties.
2 Excluding fair value adjustment from hedge accounting.
3 Loans to professional counterparties and other loans includes loans and advances to governments, official institutions and financial markets parties.

Client loans increased by EUR 3.2 billion to EUR 242.8 billion, driven largely by an increase in corporate loans (for both new and existing clients and, to a lesser extent, FX impact) and residential mortgages, reflecting strong operational capabilities and lower early repayments.

Loans to professional counterparties and other loans increased by EUR 1.6 billion to EUR 29.7 billion, primarily due to an increase in clients' funding needs at Clearing (CB).

Other assets came down by EUR 2.4 billion to EUR 10.0 billion at 30 September 2022, mainly as a result of unsettled securities transactions.

Main developments in total liabilities and equity compared with 30 June 2022

Total liabilities increased by EUR 2.7 billion, totalling EUR 401.7 billion at 30 September 2022, mainly driven by higher amounts recorded in due to customers.

Due to customers increased by EUR 8.7 billion to EUR 273.9 billion, almost entirely due to an increase in professional funding, mainly at Clearing.

Issued debt securities decreased by EUR 4.8 billion to EUR 48.6 billion, mainly due to matured long-term funding and negative fair value effects as a result of rising interest rates. At 30 September 2022, issued debt included EUR 23.7 billion in covered bonds, EUR 8.4 billion in senior preferred funding, EUR 7.5 billion in senior non-preferred funding and EUR 9.0 billion in commercial paper and certificates of deposit. EUR 3.5 billion in outstanding long-term funding and EUR 9.0 billion in outstanding short-term funding matures within 12 months.

Total equity increased by EUR 0.2 billion to EUR 22.7 billion, mainly due to the inclusion of the profit for the period, which was largely offset by lower other comprehensive income, and by the interim dividend pay-out (40% of the reported H1 net profit). Moreover, the shares repurchased in previous quarters in line with the share buyback programme were cancelled in Q3 - this does not impact total equity, but is a shift in line items.

Equity attributable to owners of the parent company amounted to EUR 22.7 billion in Q3 2022 (Q2 2022: EUR 22.5 billion). Excluding AT1 securities, increased by EUR 0.2 billion to EUR 20.7 billion, resulting in a book value of EUR 23.11 per share based on 897,521,916 outstanding shares.

Results **by segment**

Personal & Business Banking

Highlights

- Net interest income amounted to EUR 620 million in Q3 2022. Excluding incidentals, net interest income increased by EUR 18 million compared with Q3 2021, largely reflecting improved deposit margins.
- Mortgage volumes continued to grow, increasing by EUR 1.6 billion compared with Q2 2022, despite rising interest rates. Our market share of new production in residential mortgages was 19.1% in Q3 2022 (Q3 2021: 15%, Q2 2022: 17.5%), reflecting our market leadership and strong operational capabilities in a competitive market.
- Net fee and commission income totalled EUR 137 million, an increase of EUR 22 million on Q3 2021, largely due to higher income from payment services and rising credit card payments at ICS.
- Other income in Q3 2022 included the EUR 42 million result on the sale of the life insurance business.
- Operating expenses increased by EUR 24 million compared to Q2 2022, excluding incidentals, mainly due to additional charges from Group Functions.
- Mortgage label Florius now offers senior clients financing solutions for intergenerational and informal caregiver homes, supporting their mobility in the housing market and enabling future-proof living.

Operating results

(in millions)	Q3 2022	Q3 2021	Change	Q2 2022	Change	Nine months 2022	Nine months 2021	Change
Net interest income	620	513	21%	669	-7%	1,942	1,924	1%
Net fee and commission income	137	115	19%	131	5%	389	317	23%
Other operating income	50	-1		2		57	23	145%
Operating income	**807**	**628**	**28%**	**803**	**1%**	**2,387**	**2,265**	**5%**
Personnel expenses	113	116	-3%	122	-7%	349	349	
Other expenses	574	564	2%	539	7%	1,654	1,613	3%
Operating expenses	**687**	**680**	**1%**	**660**	**4%**	**2,003**	**1,962**	**2%**
Operating result	**120**	**-52**		**142**	**-16%**	**384**	**303**	**27%**
Impairment charges on financial instruments	55	-3		28	94%	79	-60	
Profit/(loss) before taxation	**65**	**-49**		**114**	**-43%**	**304**	**362**	**-16%**
Income tax expense	4	-13		29	-84%	65	85	-24%
Profit/(loss) for the period	**60**	**-36**		**85**	**-29%**	**240**	**277**	**-14%**
Cost/income ratio	85.1%	108.2%		82.3%		83.9%	86.6%	
Cost of risk (in bps)[1]	12	-3		7		7	-7	
Other indicators								
Loans and advances customers (end of period, in billions)	158.1	156.6		156.8				
-of which Client loans (end of period, in billions)	*158.8*	*157.4*		*157.5*				
Due to customers (end of period, in billions)	120.6	117.4		120.8				
Risk-weighted assets (end of period, in billions)	39.8	34.0		39.2				
Number of employees (end of period, in FTEs)	4,450	4,667		4,492				
Total client assets (end of period, in billions)	97.5	100.8		98.5				
- of which Cash	*87.2*	*88.8*		*87.8*				
- of which Securities	*10.3*	*12.0*		*10.7*				

[1] Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding fair value adjustments from hedge accounting.

Wealth Management

Highlights

- Net interest income grew compared with Q3 2021, mainly reflecting higher income from deposits as we started to benefit from rising interest rates, despite the decrease of negative interest rates on deposits in excess of EUR 100.000 to -0.25% as of 1 August 2022.
- Net fee and commission income came out lower than in Q3 2021 following a decline in market performance, resulting in lower asset management fee income due to lower volumes.
- Other operating income increased to EUR 84 million in Q3 2022, mainly due to the result on the sale of ABN AMRO Pensioeninstelling.
- Operating expenses increased by EUR 23 million compared to Q2 2022, mainly due to additional charges from Group Functions.
- Net new assets, excluding custody assets, increased by EUR 1.0 billion this quarter.
- Client assets decreased by EUR 3.6 billion compared with Q2 2022, reflecting poor market performance.

Operating results

(in millions)	Q3 2022	Q3 2021	Change	Q2 2022	Change	Nine months 2022	Nine months 2021	Change
Net interest income	207	161	29%	172	21%	537	481	12%
Net fee and commission income	143	154	-7%	149	-4%	453	440	3%
Other operating income	84	10		10		104	30	
Operating income	**434**	**324**	**34%**	**331**	**31%**	**1,095**	**951**	**15%**
Personnel expenses	98	97		90	8%	285	291	-2%
Other expenses	164	141	17%	149	10%	468	427	10%
Operating expenses	**262**	**238**	**10%**	**239**	**9%**	**753**	**718**	**5%**
Operating result	**172**	**86**	**100%**	**91**	**89%**	**342**	**233**	**47%**
Impairment charges on financial instruments	10	-4		5	99%	15	-5	
Profit/(loss) before taxation	**162**	**90**	**81%**	**86**	**88%**	**326**	**238**	**37%**
Income tax expense	23	23		23		68	65	5%
Profit/(loss) for the period	**139**	**67**	**109%**	**63**	**120%**	**258**	**173**	**49%**
Cost/income ratio	60.4%	73.5%		72.4%		68.8%	75.5%	
Cost of risk (in bps)[1]	16	-20		12		10	-8	
Other indicators								
Loans and advances customers (end of period, in billions)	16.7	15.3		16.6				
-of which Client loans (end of period, in billions)	*16.8*	*15.4*		*16.7*				
Due to customers (end of period, in billions)	64.5	60.2		62.5				
Risk-weighted assets (end of period, in billions)	10.7	10.3		10.5				
Number of employees (end of period, in FTEs)	2,893	2,852		2,899				
Total client assets (end of period, in billions)	195.1	205.2		198.7				
- of which Cash	*64.5*	*60.2*		*62.5*				
- of which Securities	*130.6*	*145.0*		*136.2*				
Net new assets (for the period, in billions)[2]		1.4		1.1		2.8	-1.2	

1 Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding fair value adjustments from hedge accounting.
2 Net New Assets (NNA) consist of acquired relationships, relationship departures (attrition) and in- or outflows attributable to existing relationships (deepening, shallowing).

Corporate Banking

Highlights

- Net interest income was higher than in Q3 2021, mainly as a result of an increase in average corporate loan volumes and deposit margins, which was partially offset by the further wind-down of the CB non-core loan portfolio.
- Net fee and commission income increased on Q3 2021, largely due to higher income from Clearing and Global Markets resulting from increased market volatility.
- Other operating income increased to EUR 179 million in Q3 2022, mainly as a result of the divestment of MP Solar and positive CVA/DVA/FVA results (EUR 27 million).
- Impairment charges in Q3 2022 showed a net release of EUR 58 million, as better performance of the existing stage 3 portfolio was partly offset by increased management overlays and charges due to changed macroeconomic scenarios.
- We developed the ID & Pay app to simplify the onboarding and payment process for clients such as online brokers or shared mobility services, providing a single digital identification and payment functionality within the bank's secure environment.

Operating results

(in millions)	Q3 2022	Q3 2021	Change	Q2 2022	Change	Nine months 2022	Nine months 2021	Change
Net interest income	540	470	15%	515	5%	1,550	1,398	11%
Net fee and commission income	166	149	12%	174	-5%	512	477	7%
Other operating income	179	45		86	108%	367	68	
Operating income	**885**	**664**	**33%**	**775**	**14%**	**2,429**	**1,943**	**25%**
Personnel expenses	149	153	-2%	152	-2%	451	460	-2%
Other expenses	254	248	2%	249	2%	839	813	3%
Operating expenses	**403**	**401**	**0%**	**402**		**1,290**	**1,273**	**1%**
Operating result	**482**	**263**	**83%**	**374**	**29%**	**1,139**	**670**	**70%**
Impairment charges on financial instruments	-58	-3		-99	41%	-92	-101	9%
Profit/(loss) before taxation	**540**	**266**	**103%**	**473**	**14%**	**1,230**	**771**	**60%**
Income tax expense	115	64	80%	114	1%	274	209	31%
Profit/(loss) for the period	**425**	**202**	**111%**	**359**	**19%**	**956**	**561**	**70%**
Cost/income ratio	45.5%	60.4%		51.8%		53.1%	65.5%	
Cost of risk (in bps)[1]	-22	5		-44		-10	-25	
Other indicators								
Loans and advances customers (end of period, in billions)	94.7	78.6		90.8				
-of which Client loans (end of period, in billions)	*67.2*	*58.0*		*65.4*				
Due to customers (end of period, in billions)	73.9	58.7		68.4				
Risk-weighted assets (end of period, in billions)	75.4	61.4		72.2				
Number of employees (end of period, in FTEs)	3,753	3,791		3,799				

[1] Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding fair value adjustments from hedge accounting.

Core

(in millions)	Q3 2022	Q3 2021	Change	Q2 2022	Change	Nine months 2022	Nine months 2021	Change
Net interest income	523	442	18%	498	5%	1,497	1,301	15%
Net fee and commission income	164	146	12%	171	-4%	502	457	10%
Other operating income	177	48		85	109%	357	222	61%
Operating income	**864**	**637**	**36%**	**753**	**15%**	**2,356**	**1,980**	**19%**
Personnel expenses	126	120	5%	125		374	351	6%
Other expenses	238	222	7%	232	2%	782	711	10%
Operating expenses	**364**	**342**	**6%**	**358**	**2%**	**1,156**	**1,063**	**9%**
Operating result	**500**	**294**	**70%**	**396**	**26%**	**1,200**	**917**	**31%**
Impairment charges on financial instruments	-12	-49	75%	-72	83%	-10	-130	92%
Profit/(loss) before taxation	**512**	**343**	**49%**	**467**	**10%**	**1,210**	**1,047**	**16%**
Income tax expense	105	78	35%	115	-9%	269	228	18%
Profit/(loss) for the period	**407**	**265**	**53%**	**352**	**16%**	**941**	**819**	**15%**
Cost/income ratio	42.1%	53.8%		47.5%		49.1%	53.7%	
Cost of risk (in bps)[1]	-10	-16		-36		-1	-23	
Other indicators								
Loans and advances customers (end of period, in billions)	93.4	76.4		89.5				
-of which Client loans (end of period, in billions)	*65.6*	*55.1*		*63.1*				
Risk-weighted assets (end of period, in billions)	73.0	56.9		69.8				
Number of employees (end of period, in FTEs)	3,502	3,297		3,434				

[1] Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding fair value adjustments from hedge accounting.

Non-core

(in millions)	Q3 2022	Q3 2021	Change	Q2 2022	Change	Nine months 2022	Nine months 2021	Change
Net interest income	17	28	-38%	17	1%	53	97	-45%
Net fee and commission income	2	3	-24%	3	-39%	10	20	-51%
Other operating income	2	-3		1	18%	10	-153	
Operating income	**21**	**27**	**-23%**	**22**	**-4%**	**72**	**-37**	
Personnel expenses	23	32	-30%	27	-14%	77	109	-29%
Other expenses	16	26	-38%	17	-5%	57	102	-44%
Operating expenses	**39**	**58**	**-33%**	**44**	**-11%**	**134**	**210**	**-36%**
Operating result	**-18**	**-31**	**43%**	**-22**	**18%**	**-62**	**-247**	**75%**
Impairment charges on financial instruments	-46	46		-27	-72%	-82	29	
Profit/(loss) before taxation	**28**	**-77**		**5**		**20**	**-276**	
Income tax expense	10	-14		-2		5	-18	
Profit/(loss) for the period	**18**	**-63**		**7**		**15**	**-258**	
Cost/income ratio	184.4%	213.4%		198.4%		185.3%	-570.6%	
Cost of risk (in bps)[1]	-700	477		-465		-436	-53	
Other indicators								
Loans and advances customers (end of period, in billions)	1.3	2.2		1.3				
-of which Client loans (end of period, in billions)	*1.6*	*2.9*		*2.3*				
Risk-weighted assets (end of period, in billions)	2.4	4.4		2.5				
Number of employees (end of period, in FTEs)	250	494		365				

[1] Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding fair value adjustments from hedge accounting.

Group Functions

Highlights

- Net interest income declined compared with Q2 2022, largely due to a further decrease in mortgage prepayment penalties and high steering costs negatively impacting the Treasury result.
- Other operating income grew compared with Q2 2022, mainly due to asset and liability management results at ALM/Treasury (mainly positive marked-to-market adjustments).
- Personnel expenses were lower than in Q2 2022, reflecting collective labour agreement (CLA) related one-offs recorded in Q2.
- Other expenses came down from Q2, mainly as a larger part of Group Functions' costs relating to AML activities, IT and strategy execution was allocated to business segments.
- ABN AMRO continues to make progress on its remediation programme and currently has around 4,400 FTEs, or approximately 17% of total FTEs, who are fully committed to AML activities and are mostly centralised within Group Functions. Compared with Q3 2021, FTEs related to AML remediation activities decreased, as a combined result of cases already remediated and increased efficiency.

Operating results

(in millions)	Q3 2022	Q3 2021	Change	Q2 2022	Change	Nine months 2022	Nine months 2021	Change
Net interest income	-92	58		-83	-10%	-170	67	
Net fee and commission income	-6	-5	-12%	-6	3%	-18	-15	-19%
Other operating income	134	65	106%	65	107%	258	103	
Operating income	**36**	**118**	**-69%**	**-24**		**69**	**154**	**-55%**
Personnel expenses	246	209	18%	255	-3%	739	653	13%
Other expenses	-344	-226	-52%	-235	-46%	-703	-234	
Operating expenses	**-98**	**-17**		**20**		**36**	**419**	**-91%**
Operating result	**134**	**135**	**-1%**	**-44**		**33**	**-265**	
Impairment charges on financial instruments		-3		3	-96%	3	-2	
Profit/(loss) before taxation	**134**	**138**	**-3%**	**-47**		**30**	**-263**	
Income tax expense	16	27	-41%	-14		-29	67	
Profit/(loss) for the period	**118**	**111**	**7%**	**-32**		**59**	**-330**	
Other indicators								
Securities financing - assets (end of period, in billions)	21.6	17.3		20.1				
Loans and advances customers (end of period, in billions)	-8.5	3.3		-4.5				
Securities financing - liabilities (end of period, in billions)	17.4	18.7		17.7				
Due to customers (end of period, in billions)	14.9	12.7		13.5				
Risk-weighted assets (end of period, in billions)	5.0	4.9		4.8				
Number of employees (end of period, in FTEs)	9,032	8,390		8,889				

Additional financial information

Selected financial information

Condensed consolidated income statement

(in millions)	Q3 2022	Q3 2021	Q2 2022	Nine months 2022	Nine months 2021
Income					
Interest income calculated using the effective interest method	1,849	1,656	1,673	5,151	5,006
Other interest and similar income	55	68	49	166	187
Interest expense calculated using the effective interest method	613	332	442	1,413	1,036
Other interest and similar expense	16	190	7	46	286
Net interest income	**1,276**	**1,202**	**1,273**	**3,859**	**3,871**
Fee and commission income	561	565	563	1,707	1,650
Fee and commission expense	120	152	115	372	432
Net fee and commission income	**441**	**413**	**448**	**1,336**	**1,218**
Income from other operating activities	325	102	105	588	339
Expenses from other operating activities	30	35	33	97	107
Net income from other operating activities	**294**	**67**	**72**	**491**	**231**
Net trading income	81	41	78	199	87
Share of result of equity-accounted investments	70	9	10	89	12
Net gains/(losses) on derecognition of financial assets measured at amortised cost	1	2	4	6	-106
Operating income	**2,162**	**1,734**	**1,884**	**5,979**	**5,313**
Expenses					
Personnel expenses	605	575	619	1,824	1,753
General and administrative expenses	605	678	662	2,130	2,471
Depreciation, amortisation and impairment losses of tangible and intangible assets	44	49	40	129	148
Operating expenses	**1,254**	**1,301**	**1,321**	**4,082**	**4,372**
Impairment charges on financial instruments	7	-12	-62	7	-168
Total expenses	**1,261**	**1,289**	**1,258**	**4,089**	**4,205**
Profit/(loss) before taxation	**902**	**444**	**626**	**1,890**	**1,108**
Income tax expense	159	102	151	377	426
Profit/(loss) for the period	**743**	**343**	**475**	**1,513**	**682**
Attributable to:					
Owners of the parent company	743	343	475	1,513	679
Non-controlling interests					3

Condensed consolidated statement of comprehensive income[1]

(in millions)		Q3 2022		Q3 2021		Q2 2022
Profit/(loss) for the period		**743**		**343**		**475**
Other comprehensive income:						
Items that will not be reclassified to the income statement						
Remeasurement gains/(losses) on defined benefit plans		3		1		
Gains/(losses) on liability own credit risk				4		
Items that will not be reclassified to the income statement before taxation		**4**		**6**		
Income tax relating to items that will not be reclassified to the income statement		1		1		
Items that will not be reclassified to the income statement after taxation		**3**		**4**		
Items that may be reclassified to the income statement						
Net gains/(losses) currency translation reserve	66		18		46	
Less: Reclassification currency translation reserve through the income statement	3				2	
Net gains/(losses) currency translation reserve through OCI		64		18		44
Net gains/(losses) fair value reserve	38		61		-64	
Less: Reclassification fair value reserve through the income statement					1	
Net gains/(losses) fair value reserve through OCI		38		61		-65
Net gains/(losses) cash flow hedge reserve	-380		43		683	
Less: Reclassification cash flow hedge reserve through the income statement	-9		14		-9	
Net gains/(losses) cash flow hedge reserve through OCI		-371		29		692
Net gains/(losses) share of other comprehensive income of associates	-23		3		-23	
Less: Reclassification share of other comprehensive income of associates through the income statement	7					
Share of other comprehensive income of associates		-30		3		-23
Items that may be reclassified to the income statement before taxation		**-298**		**111**		**649**
Income tax relating to items that may be reclassified to the income statement		-86		23		162
Items that may be reclassified to the income statement after taxation		**-212**		**89**		**487**
Total comprehensive income/(expense) for the period after taxation		**533**		**436**		**962**
Attributable to:						
Owners of the parent company		533		435		962

1 The consolidated comprehensive income have been refined. In order to achieve fairer presentation, reclassifications to the income statement have been added to the consolidated statement of comprehensive income.

Condensed consolidated statement of changes in equity

(in millions)	Share capital	Share premium	Other reserves including retained earnings	Accumulated other comprehensive income	Net profit/(loss) attributable to owners of the parent company	AT1 capital securities	Equity attributable to the owners of the parent company	Non-controlling interests	Total equity
Balance at 1 July 2021	**940**	**12,970**	**6,777**	**- 1,478**	**337**	**1,987**	**21,533**	**5**	**21,538**
Total comprehensive income				93	343		435		436
Paid interest on AT1 capital securities			- 46				- 46		- 46
Balance at 30 September 2021	**940**	**12,970**	**6,731**	**-1,386**	**679**	**1,987**	**21,922**	**5**	**21,927**
Balance at 1 July 2022	**940**	**12,970**	**6,224**	**-366**	**770**	**1,985**	**22,523**	**5**	**22,528**
Total comprehensive income				-210	743		533		533
Dividend			-287				-287	-3	-290
Decrease of capital						-1	-1		-1
Share buyback	-42	-441	484						
Paid interest on AT1 capital securities			-46				-46		-46
Balance at 30 September 2022	**898**	**12,529**	**6,375**	**- 576**	**1,513**	**1,984**	**22,723**	**2**	**22,725**

Risk developments

Highlights

- Third quarter credit quality indicators showed a mixed picture of post-Covid recovery and signs of a worsening economic outlook, but no clear pattern of deteriorating credit risk was visible.
- Towards the end of the quarter we observed slower economic activity and faltering demand in Europe and the Netherlands. The continued surge in inflation and the prospect of energy shortages further weakened the economic outlook.
- Increased impairments resulting from the worsened economic outlook were offset by releases on existing impaired credit files.

Key figures

(in millions)	30 September 2022	30 June 2022	31 December 2021
Total loans and advances, gross carrying amount[1,2]	**276,696**	**271,427**	**261,421**
- of which Banks	*4,221*	*3,771*	*2,811*
- of which Residential mortgages[1]	*150,510*	*148,773*	*146,351*
- of which Consumer loans	*10,400*	*10,603*	*10,794*
- of which Corporate loans[1,2]	*92,574*	*91,881*	*86,458*
- of which Other loans and advances customers[2]	*18,991*	*16,401*	*15,007*
Total Exposure at Default (EAD)	**422,548**	**425,830**	**417,214**
Credit quality indicators[2]			
Forbearance ratio	2.9%	3.4%	4.3%
Past due ratio	0.7%	0.6%	0.8%
- of which Residential mortgages	*0.6%*	*0.5%*	*0.6%*
- of which Consumer loans	*1.3%*	*2.1%*	*1.7%*
- of which Corporate loans	*0.8%*	*0.7%*	*1.2%*
Stage 2 ratio	8.9%	7.5%	8.2%
Stage 2 coverage ratio	1.7%	1.9%	1.7%
Stage 3 ratio[3]	2.0%	2.3%	2.6%
Stage 3 coverage ratio[3]	27.8%	29.0%	28.3%
Regulatory capital			
Total RWA	130,959	126,676	117,693
- of which Credit risk[4]	*112,538*	*108,070*	*99,976*
- of which Operational risk	*16,167*	*16,091*	*16,049*
- of which Market risk	*2,254*	*2,516*	*1,668*
Total RWA/total EAD	31.0%	29.7%	28.2%
Mortgage indicators			
Exposure at Default[5]	156,455	159,442	163,737
- of which mortgages with Nationale Hypotheek Garantie (NHG)	*29,908*	*30,358*	*31,557*
Risk-weighted assets (Credit risk)[5,6]	22,516	22,185	22,110
RWA/EAD	14.4%	13.9%	13.5%
Average Loan-to-Market-Value	54%	54%	56%
Average Loan-to-Market-Value - excluding NHG loans	54%	54%	56%

1 Excluding fair value adjustments from hedge accounting.
2 Excluding loans and advances measured at fair value through P&L.
3 Including POCI.
4 RWA for credit value adjustment (CVA) is included in credit risk. CVA per 30 September 2022: EUR 0.3 billion (30 June 2022: EUR 0.5 billion; 31 December 2021: EUR 0.2 billion).
5 The RWA (Credit risk) 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.
6 Previous reports with reference date 31 December 2021 presented total RWA. In this report, the comparative figures for 31 December 2021 have been adjusted to show credit risk RWA only.

Impact of high energy prices on our credit risk profile

While the ongoing war in Ukraine has had limited direct impact on our portfolio, it has sparked a surge in inflation, especially in energy prices, that continued in the third quarter and fueled recessionary expectations. Apart from an increased inflow in stage 2, caused by the downward adjustment of the economic scenarios and weights, the impact of these developments was not visible in our credit quality indicators, but may well impact our credit risk profile in the coming quarters.

Alongside our existing credit risk monitoring framework, we performed an in-depth review of our credit portfolio to assess the potential impact of any second and third-order effects. Retail and SME clients were subjected to affordability tests, taking into account elevated energy prices and clients' current financial liquidity positions. For corporate clients, individual client assessments were carried out to identify vulnerable clients, with a special focus on the impact of a potential disruption in the supply of natural gas. Thus far, these reviews have not resulted in a significant increase of clients with higher credit risk. Nevertheless, as the uncertainty in the macroeconomic outlook continues to be high, the management overlay of EUR 135 million on impairments for second and third-order impact remained in place.

Loans and advances

In Q3 2022, total loans and advances grew to EUR 276.7 billion (30 September 2022: EUR 271.4 billion). This increase was visible across all product groups, except for consumer loans. Other loans and advances showed the largest increase, owing to higher collateral and default fund contributions for clients of Clearing, followed by residential mortgages, reflecting strong operational capabilities and lower early repayments. Corporate Banking's non-core portfolio amounted to EUR 1.6 billion at 30 September 2022 (30 June 2022: EUR 1.7 billion). Approximately EUR 0.6 billion of this portfolio was classified as stage 3, unchanged compared to 30 June 2022.

Exposure at Default

EAD decreased to EUR 422.5 billion (30 June 2022: EUR 425.8 billion) as other assets came down due to unsettled securities transactions, and cash and balances at central banks declined. The decrease was partly offset by higher business volumes, mainly in Clearing and residential mortgages.

Credit quality indicators

The bank's credit quality indicators showed a mixed picture in the third quarter. The forbearance ratio improved to 2.9% (30 June 2022: 3.4%). The improvement was specifically observed in the residential mortgages and corporate loans portfolios, where loans for which a payment deferral had been provided after the outbreak of Covid-19 came to the end of their probation period and ceased to be forborne. In comparison with 30 June 2022, past due loans increased to EUR 1.9 billion, largely in line with growth in the loan book. As a result, the past due ratio increased marginally from 0.6% to 0.7%. The primary contributor to the increase in arrears was the rise in 0-30 day arrears in residential mortgages (up from 0.5% to 0.6%), presumably due to overspending during the vacation season. The rise in corporate loans past due ratio (from 0.7% to 0.8%) was not industry-specific and short-lived, as the amount in arrears was repaid in early October 2022. Contrary to the trend in other product categories, the past due ratio for consumer loans declined from 2.1% to 1.3% due to a single client that was no longer past due.

Coverage and stage ratios declined, except for the stage 2 ratio, which increased as a result of the further weakening of the macroeconomic outlook, predominantly in corporate loans and, to a lesser extent, residential mortgages. More details can be found in the section coverage and stage ratios.

Risk-weighted assets

Total RWA went up to EUR 131.0 billion in Q3 2022 (30 June 2022: EUR 126.7 billion), reflecting higher credit risk RWA. Credit risk RWA increased predominantly due to a change in the regulatory treatment of certain models from Advanced IRB to Foundation IRB, an adjustment in the application of the SME support factor due to deficiencies in the implementation, and, to a lesser extent, business developments. These were partially offset by changes in asset quality and the sale of ABN AMRO Levensverzekeringen to Nationale Nederlanden. Market risk RWA decreased due to lower Stressed Value-at-Risk as a result of position changes. Operational risk RWA remained stable in Q3 2022.

Impairments and cost of risk

	Q3 2022	Q3 2021	Q2 2022	Nine months 2022	Nine months 2021
Impairment charges on loans and other advances (in EUR million)[1]	7	-12	-62	7	-168
- of which Residential mortgages	*32*	*10*	*53*	*97*	*- 27*
- of which Consumer loans	*- 2*	*- 11*	*- 8*	*2*	*- 1*
- of which Corporate loans	*- 22*	*- 13*	*- 107*	*- 70*	*- 213*
- of which Off-balance sheet items	*- 2*	*2*	*2*	*- 17*	*77*
Cost of risk (in bps)[2,3]	1	-2	-9	1	-13
- of which Residential mortgages	*9*	*3*	*14*	*9*	*- 2*
- of which Consumer loans	*- 6*	*- 41*	*- 29*	*2*	*- 1*
- of which Corporate loans	*- 10*	*- 6*	*- 47*	*- 10*	*- 33*

1 Including other loans and impairments charges on off-balance sheet exposures.
2 Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers on the basis of gross carrying amount and excluding fair value adjustment from hedge accounting.
3 Calculation of CoR excludes (impairment charges on) off-balance exposures.

In Q3 2022, a net impairment charge of EUR 7 million was recorded (Q3 2021: EUR 12 million release), resulting in a cost of risk of 1bp (Q3 2021: -2bps). This amount is the result of additions amounting to EUR 107 million in stage 1 and 2, offset by a net release of EUR 100 million in stage 3. The releases in stage 3 can be largely attributed to better performance of the existing defaulted portfolio, repayments of stage 3 loans, outflow to the performing portfolio and recoveries. The additions in stage 1 and 2 were mainly caused by worsening macroeconomic scenarios, increased management overlays and other adjustments. The existing overlay for potential second and third-order effects of the war in Ukraine was maintained at the same level, while a new management overlay of EUR 32 million was formed for the potential impact of the government's nitrogen reducing measures on clients in livestock farming businesses in the Netherlands.

Impairment releases for corporate loans were recorded because of better performance of the existing stage 3 portfolio, partly offset by increased management overlays and charges due to changed macroeconomic scenarios. Impairment charges for the residential loans portfolio were mainly in stage 1 and stage 2 and were caused by the deteriorated macroeconomic scenario.

Macroeconomic scenarios

ECL scenarios on 30 September 2022

(in millions)	Weight	Macroeconomic variable	2022	2023	2024	2025
Positive	10%	Real GDP Netherlands[1]	5.1%	3.2%	2.9%	2.4%
		Unemployment[2]	3.4%	3.4%	3.2%	3.2%
		House price index[3]	17.5%	5.0%	1.5%	1.0%
Baseline	30%	Real GDP Netherlands[1]	4.7%	0.5%	1.4%	1.6%
		Unemployment[2]	3.5%	4.2%	4.0%	3.6%
		House price index[3]	15.0%	2.5%	0.0%	1.0%
Negative	60%	Real GDP Netherlands[1]	4.1%	-1.8%	0.1%	1.3%
		Unemployment[2]	4.2%	5.4%	6.2%	5.6%
		House price index[3]	10.0%	-10.0%	-12.5%	-7.5%

1 Real GDP Netherlands, % change year-on-year.
2 Unemployment Netherlands, % of labour force.
3 House price index Netherlands - average % change year-on-year.

ECL scenarios on 30 June 2022

(in millions)	Weight	Macroeconomic variable	2022	2023	2024	2025
Positive	15%	Real GDP Netherlands[1]	3.9%	3.1%	2.3%	1.8%
		Unemployment[2]	3.5%	3.2%	2.9%	2.9%
		House price index[3]	15.0%	5.0%	3.0%	2.0%
Baseline	35%	Real GDP Netherlands[1]	3.0%	1.3%	1.5%	1.6%
		Unemployment[2]	3.8%	4.2%	3.8%	3.7%
		House price index[3]	12.5%	5.0%	1.5%	1.0%
Negative	50%	Real GDP Netherlands[1]	2.4%	-0.4%	1.5%	1.4%
		Unemployment[2]	4.9%	6.2%	6.1%	5.3%
		House price index[3]	5.0%	-10.0%	-11.0%	-5.0%

1 Real GDP Netherlands, % change year-on-year.
2 Unemployment Netherlands, % of labour force.
3 House price index Netherlands - average % change year-on-year.

The continued surge in inflation and the prospect of energy shortages in Europe are weakening the economic outlook in Northwest Europe and the Netherlands. Rising interest rates and uncertainties are dampening the increase in house prices. Whilst the recessionary pressure is likely to cause some rise in bankruptcies, unemployment is expected to remain low due to the current tightness in the job market. ABN AMRO economists expect the impact of these developments to be visible in macro-economic indicators from late 2022 or early 2023 onwards.

The macroeconomic scenarios shown above were prepared in early September and the base scenario assumed Russian gas deliveries to Europe would be around 20% of 2021. The positive scenario assumed a peace treaty between Russia and Ukraine while governments would still be reducing energy reliance on Russia, and the negative scenario assumed a complete stoppage of Russian gas deliveries. Following the explosion in the Nord Stream gas pipeline, ABN AMRO economists are considering a complete shutdown of Russian gas flows to Europe as the new base scenario, and expecting a recession in the Eurozone as well as in the Netherlands. To reflect the impact of these developments in the calculation of provisions, the weight of the negative scenario was raised to 60%, up from 50% on 30 June 2022.

Coverage and stage ratios

(in millions)	Gross carrying amount[2]	Allowances for credit losses[3]	30 September 2022 Coverage ratio	Stage ratio	30 June 2022 Coverage ratio	Stage ratio	31 December 2021 Coverage ratio	Stage ratio
Stage 1								
Loans and advances banks	**4,184**	**4**	**0.1%**	**99.1%**	**0.1%**	**98.5%**	**0.4%**	**99.9%**
Residential mortgages	140,273	26	0.0%	93.2%	0.0%	93.6%	0.0%	93.7%
Consumer loans	9,221	26	0.3%	88.7%	0.3%	88.1%	0.2%	86.6%
Corporate loans[1]	74,326	259	0.3%	80.3%	0.3%	83.3%	0.2%	80.2%
Other loans and advances customers[1]	18,948		0.0%	99.8%	0.0%	99.7%	0.0%	99.6%
Total loans and advances customers[1]	**242,768**	**311**	**0.1%**	**89.1%**	**0.1%**	**90.2%**	**0.1%**	**89.2%**
Stage 2								
Loans and advances banks	**37**		**0.0%**	**0.9%**	**0.2%**	**1.5%**	**0.5%**	**0.1%**
Residential mortgages	9,119	77	0.8%	6.1%	0.6%	5.6%	0.3%	5.5%
Consumer loans	811	36	4.5%	7.8%	4.5%	8.3%	4.4%	9.6%
Corporate loans[1]	14,285	293	2.1%	15.4%	2.6%	11.8%	2.4%	14.0%
Other loans and advances customers[1]	39	3	7.1%	0.2%	6.9%	0.2%	3.2%	0.3%
Total loans and advances customers[1]	**24,254**	**409**	**1.7%**	**8.9%**	**1.9%**	**7.5%**	**1.7%**	**8.2%**
Stage 3 and POCI								
Loans and advances banks								
Residential mortgages	1,118	88	7.9%	0.7%	7.2%	0.8%	4.1%	0.9%
Consumer loans	368	217	58.9%	3.5%	57.1%	3.6%	50.8%	3.8%
Corporate loans[1]	3,962	1,208	30.5%	4.3%	32.2%	4.9%	32.5%	5.8%
Other loans and advances customers[1]	4	3	81.7%	0.0%	52.5%	0.0%	32.0%	0.1%
Total loans and advances customers[1]	**5,452**	**1,516**	**27.8%**	**2.0%**	**29.0%**	**2.3%**	**28.3%**	**2.6%**
Total of stages 1, 2, 3 and POCI								
Total loans and advances banks	**4,221**	**4**	**0.1%**		**0.1%**		**0.4%**	
Residential mortgages	150,510	191	0.1%		0.1%		0.1%	
Consumer loans	10,400	280	2.7%		2.7%		2.6%	
Corporate loans[1]	92,574	1,760	1.9%		2.1%		2.4%	
Other loans and advances customers[1]	18,991	6	0.0%		0.0%		0.0%	
Total loans and advances customers[1]	**272,474**	**2,237**	**0.8%**		**0.9%**		**0.9%**	
Total loans and advances[1]	**276,696**	**2,241**	**0.8%**		**0.9%**		**0.9%**	

1 Excluding loans at fair value through P&L.
2 Gross carrying amount excludes fair value adjustments from hedge accounting.
3 The allowances for credit losses excludes allowances for financial investments held at FVOCI (30 September 2022: EUR 1 million; 30 June 2022: EUR 0 million; 31 December 2021: EUR 1 million).

In Q3 2022, the stage 3 ratio of loans and advances to customers declined to 2.0% (30 June 2022: 2.3%) as a result of all product groups, but predominantly corporate loans. The decrease in stage 3 corporate loans was attributable to repayments and, to a lesser extent, write-offs, as well as clients from the industrial goods and services sector returning to stage 2.
The stage 3 coverage ratio came down to 27.8% (30 June 2022: 29.0%) due to an outflow of stage 3 clients with relatively high coverage ratios.

The stage 2 ratio of loans and advances to customers went up to 8.9% (30 June 2022: 7.5%). This increase was seen in corporate loans and, to a lesser extent, residential mortgages, as a result of the further weakening of the macroeconomic outlook. As the new inflow in stage 2 had a better than average quality, the stage 2 coverage ratio decreased slightly to 1.7% at 30 September 2022 (30 June 2022: 1.9%).

Residential mortgages
Housing market developments

Confidence in the housing market is declining due to a drop in purchasing power, higher mortgage rates and growing economic and financial uncertainty. In response to the war in Ukraine, food and energy prices have risen sharply. This erodes the purchasing power of households and as a result, the affordability of houses is deteriorating. Maximum borrowing capacity of clients has decreased due to the increase in mortgage interest rates. A further consequence of the interest rate increase is that mortgage refinancing has become less attractive to clients.

According to the Dutch Land Registry (Kadaster) the number of transactions in Q3 2022 was 7% higher than in Q2 2022 and 6% lower than in Q3 2021. The number of transactions has been stable this year, but relatively low in comparison with prior years due to high prices and a shortage of available housing. The housing price index published by Statistics Netherlands (CBS) for Q3 2022 was 1% higher than in Q2 2022 and 12% higher than in Q3 2021.

Residential mortgage portfolio insights

New mortgage production amounted to EUR 6.1 billion, down 9% from Q2 2022 and up 19% on Q3 2021. Redemptions totaled EUR 4.3 billion, a 12% decrease on Q2 2022 and 10% less than in Q3 2021. ABN AMRO's market share in new mortgage production came to 19.1% in Q3 2022 (Q2 2022: 17.5%, Q3 2021: 15.2%).

In response to recent macroeconomic developments and rising energy prices, ABN AMRO continued the closely monitor arrears in loans and instalments and is in close contact with all collection partners. In Q3, the mortgage arrears ratio increased marginally (0.5% to 0.6%).

The average indexed Loan to Market Value (LtMV) remained relatively stable at 54% (30 June 2022: 54%). The gross carrying amount of mortgages with a LtMV in excess of 100% increased slightly to EUR 2.1 billion (30 June 2022: EUR 2.0 billion). New inflow of mortgages with a LtMV in excess of 100% related to sustainable home improvements. Loans with a LtMV in excess of 100% accounted for 1.4% of total mortgages (30 June 2022: 1.3%) and 3% of the extra repayments (30 June 2022: 2%). The proportion of amortising mortgages stabilised at 43% by 30 September 2022 (30 June 2022: 43%).

Other risk developments
Loans with variable interest rates

On August 10 2022, the Appeals Board of the Dutch Financial Services Complaints Authority (Kifid) ruled that clients with interest rates that were not sufficiently aligned with market rates should also be compensated for compound interest (interest on interest). Following this ruling, we adjusted our compensation scheme to include interest on interest. The provision that was taken earlier to cover the costs of the compensation scheme was increased by EUR 122 million, which was charged to the third-quarter results for 2022.

EURIBOR-based mortgages

On 11 October 2022, the Court of Appeal in The Hague issued a ruling in the legal proceedings on EURIBOR-based home financing mortgages. It ruled that ABN AMRO had acted within its rights when amending the surcharge and that the surcharge increase had not been not excessive. The verdict is applicable to clients who did not accept the personal settlement offer that they had received from the bank in 2020/2021. The provision of EUR 28 million that ABN AMRO had recognised for the EURIBOR-based home financing mortgage cases was released and recorded as net interest income.

Capital management

Regulatory capital structure

(in millions)	30 September 2022	30 June 2022	31 December 2021
Total equity (EU IFRS)	**22,725**	**22,528**	**21,999**
Dividend reserve	-435	-362	-573
AT1 capital securities (EU IFRS)	-1,984	-1,985	-1,987
Share buyback reserve	-250		-500
Regulatory and other adjustments	-132	-553	267
Common Equity Tier 1	**19,923**	**19,628**	**19,206**
AT1 capital securities (EU IFRS)	1,984	1,985	1,987
Regulatory and other adjustments	-2	-3	-5
Tier 1 capital	**21,906**	**21,610**	**21,188**
Subordinated liabilities (EU IFRS)	6,685	7,658	7,549
Regulatory and other adjustments	-750	-2,406	-2,413
Tier 2 capital	**5,935**	**5,252**	**5,136**
Total regulatory capital	**27,841**	**26,862**	**26,324**
Other MREL eligible liabilities[1]	9,692	9,357	6,568
Total MREL eligible liabilities	**37,533**	**36,219**	**32,893**
Total risk-weighted assets	**130,959**	**126,676**	**117,693**
Exposure measure			
Exposure measure	450,510	449,999	360,779
Capital ratios			
Common Equity Tier 1 ratio	15.2%	15.5%	16.3%
Common Equity Tier 1 ratio (Basel IV)[2]	16%	16%	16%
Tier 1 ratio	16.7%	17.1%	18.0%
Total capital ratio	21.3%	21.2%	22.4%
MREL[3]	28.7%	28.6%	27.9%
Leverage ratio[4]	4.9%	4.8%	5.9%

1 Other MREL eligible liabilities consists of subordinated liabilities and senior non-preferred notes that are not included in regulatory capital.
2 Basel IV results are based on fully-loaded figures, rounded to the nearest whole percent, based on ABN AMRO's interpretation of the Basel IV framework and subject to the implementation of Basel IV standards into EU legislation.
3 MREL is calculated as total regulatory capital plus other MREL eligible liabilities divided by total risk-weighted assets.
4 The temporary relief measure that exempted central bank reserves from the exposure measure applied until 31 March 2022.

Developments impacting capital ratios

On 30 September 2022, the CET1 ratio under Basel III was 15.2% (30 June 2022: 15.5%). In comparison with Q2 2022, the CET1 ratio decreased mainly due to an increase in RWA, partly offset by an increase in capital. The EUR 4.3 billion increase in RWA reflects a rise in credit risk RWA, mainly due to add-ons and changes in the regulatory approach to models. CET1 capital increased mainly due to the addition of the Q3 2022 net profit of EUR 743 million, excluding the 50% dividend reservation, partly offset by the EUR 250 million conditional permission granted by the ECB to repurchase shares. All capital ratios were in line with the bank's risk appetite and comfortably above regulatory requirements.

The maximum distributable amount (MDA) trigger level came to 9.7% (excluding AT1 shortfall). The Dutch central bank (DNB) will increase the countercyclical capital buffer (CCyB) for Dutch exposures to 1% by 25 May 2023. Full implementation of the 2% CCyB rate is expected by Q2 2024, which will cause the MDA trigger level to increase by around 1.5%. This is already reflected in our capital targets. The reported Basel III CET1 ratio of 15.2% is well above the MDA trigger level. The bank remains committed to maintaining a significant buffer in excess of its regulatory requirements at all times.

Based on our latest views of the Basel IV EU proposal, the fully-loaded Basel IV CET1 ratio was estimated at around 16% on 30 September 2022. This was comfortably above the 13% target and the 15% threshold for considering share buybacks (subject to conditions and regulatory approval). Following the latest Basel III add-ons, Basel III RWA has become higher than Basel IV RWA. The Basel IV CET1 ratio at implementation is still subject to some uncertainties, including data limitations, finalisation of the Basel IV regulations, management actions and other portfolio developments.

Leverage ratio

The Capital Requirements Regulation (CRR) includes a non-risk-based and binding leverage ratio. The leverage ratio increased to 4.9% at 30 September 2022 (30 June 2022: 4.8%), mainly due to a decrease in on-balance sheet exposures and the addition of the retained net profit for Q3 2022, increasing Tier 1 capital. The reported leverage ratio remained well above the 3.0% requirement.

MREL

As of 1 January 2022, our intermediate MREL target is set at 27.1% of Basel III RWA, of which 26.6% must be met by own funds, subordinated instruments and senior non-preferred (SNP) notes. This includes the combined buffer requirement (CBR) of 4.0%.

Based on the eligible liabilities, i.e. own funds, subordinated instruments and SNP notes, the MREL ratio increased slightly to 28.7% at 30 September 2022 (30 June 2022: 28.6%). The reported MREL ratio excludes EUR 6.4 billion of grandfathered senior preferred liabilities currently eligible for MREL. Compared to Q2 2022, the MREL ratio increased mainly due to the addition of the Q3 net profit and the issuance of EUR 0.6 billion of Tier 2 and SNP, partly offset by higher RWAs as a result of add-ons and changes in the regulatory approach to certain models.

About **this report**

Introduction

This report presents ABN AMRO's results for the first three quarter of 2022. It provides a quarterly business and financial review, as well as risk and capital disclosures.

Presentation of information

Except for the changes described below, the financial information contained in this Quarterly Report has been prepared according to the same accounting policies 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. This report is presented in euros (EUR), which is ABN AMRO's functional and 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 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 announced in November 2021, ABN AMRO has simplified its organisational structure by replacing its four business lines by three units organised around client segments: Personal and Business Banking, Wealth Management and Corporate Banking. Consequently, the prior period figures relating to these segments in the Financial review section of this report have been restated.

Subsequent event

In the past ABN AMRO raised EUR 35.0 billion of funding through TLTRO III operations. Following the significant increase of central bank interest rates, the TLTRO funding led to additional net interest income. The interest rate sensitivity was hedged. The recent amendment of the TLTRO III terms by the ECB will remove both the additional interest income as well as the interest rate sensitivity from 23 November 2022 onwards. Therefore, the hedge is not effective anymore as of this date. The hedge currently has a negative mark-to-market. Following the change in TLTRO terms by the ECB, a net impact of around EUR 185 million on profit after tax (around EUR 250 million pre-tax) is expected in our Q4 results, including any remaining income under the original terms.

Other information

To download this report or to obtain 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, an investor presentation and a fact sheet regarding the Q3 2022 results.

Enquiries

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Investor call

A conference call for analysts and investors will be hosted by the bank on Wednesday 9 November 2022 at 11:00 am CET (10:00 am London time). 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, abnamro.com/ir.

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

Disclaimer & cautionary statements

ABN AMRO has included in this document, and from time to time may make certain statements in its public statements, that may constitute "forward-looking statements". This includes, without limitation, such statements that include the words "expect", "estimate", "project", "anticipate", "should", "intend", "plan", "probability", "risk", "Value-at-Risk ("VaR")", "target", "goal", "objective", "will", "endeavour", "outlook", "optimistic", "prospects" and similar expressions or variations of such expressions. In particular, the document may include forward-looking statements relating but not limited to ABN AMRO's potential exposures to various types of operational, credit and market risk. Such statements are subject to uncertainties.

Forward-looking statements are not historical facts and represent only ABN AMRO's current views and assumptions regarding future events, many of which are by nature inherently uncertain and beyond our control. Factors that could cause actual results to deviate materially from those anticipated by forward-looking statements include, but are not limited to, macroeconomic, demographic and political conditions and risks, actions taken and policies applied by governments and their agencies, financial regulators and private organisations (including credit rating agencies), market conditions and turbulence in financial and other markets, and the success of ABN AMRO in managing the risks involved in the foregoing.

Any forward-looking statements made by ABN AMRO are current views as at the date they are made. Subject to statutory obligations, ABN AMRO does not intend to publicly update or revise forward-looking statements to reflect events or circumstances after the date the statements were made, and ABN AMRO assumes no obligation to do so.

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