investor & analyst presentation

Q4 2024 results

Investor Relations, 12 February 2025

ABN·AMRO

Key messages: strong results for Q4 and 2024

- **Good finish to the year:** Q4 net profit of 397m, supported by continued high net interest income (NII) and fee income
- **Strong result in 2024:** Net profit of 2.4bn and return on equity of 10.1%
- **Continued mortgage portfolio growth:** Increase of 1.1bn in Q4 and full-year growth of over 5bn, supported by an increase in clients
- **Net interest income (NII) further improved:** Q4 benefited from higher Treasury result, resulting in NII of 6.5bn for 2024. Expected NII for 2025 between 6.2 and 6.4bn [1)]
- **Continued fee growth:** Fee income increased compared to previous quarter, resulting in fee growth for the year of over 7%, driven by better performance in all client units
- **Costs remain under control:** Costs for full-year, excluding large incidentals, in line with guidance at 5.3bn. For 2025, costs are expected to be broadly flat
- **Solid credit quality:** Impairments of 9m in Q4, reflecting increases in individually provisioned client files. Net impairment releases of 21m for 2024
- **Strong capital position**: Basel III CET1 ratio of 14.5% and Basel IV CET1 ratio estimated at a similar level
- Final dividend proposed at 0.75 per share, assessment of capital position and potential room for a share buyback in Q2 2025

1) Based on forward curves of end of January 2025

Successful year on strategy execution

Customer experience

A personal bank in the digital age, for the resourceful and ambitious

- Acquisition of Hauck Aufhäuser Lampe (HAL) will create a leading private bank in Germany
- 'Help with Banking' advisers doubled to 200, supporting clients in day-to-day banking
- Successfully launched our new brand promise 'For every new beginning'
- Improved Net Promotor Scores for all client units

Sustainability

Distinctive expertise in supporting clients' transition to sustainability

- Additional targets for passenger cars, upstream and midstream oil & gas portfolios
- Sustainability efforts rewarded with return to S&P Global Dow Jones Sustainability Index Europe
- Asset volume of client loans with a sustainability component and ESG & impact investments rose from 34% to 37%

Future proof bank

Enhance client service, compliance and efficiency

- Leading Dutch bank in cyber resilience, externally and independently assessed by cyber rating agencies
- Digital leader in the banking sector in the Netherlands, whereby we excel in digital product experience, digital marketing and digital customer contact [1)]
- First GenAI solutions for clients: Tikkie chatbot and ICS voicebot

Our purpose - Banking for better, for generations to come

1) Independent annual study by global management and technology consultancy BearingPoint

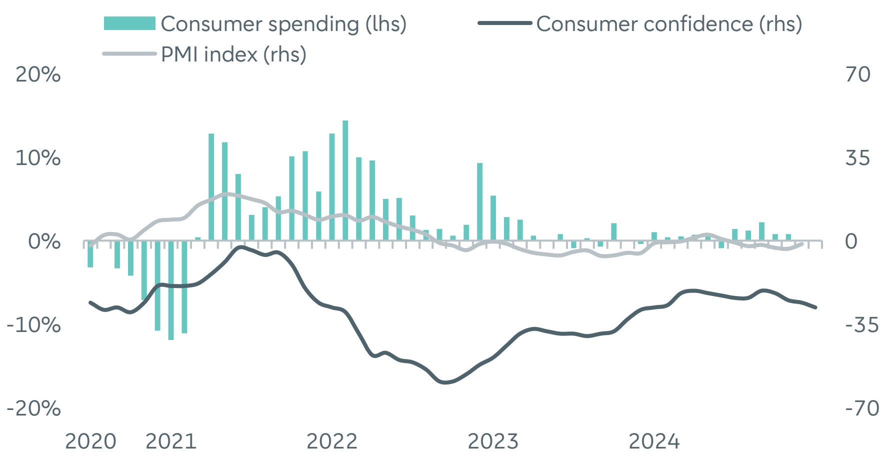
Solid growth Dutch economy in 2025, house price increase continues 1)

		2023	2024	2025e	2026e
Netherlands	GDP (% yoy)	0.1%	*0.9%*	1.5%	0.8%
	Government debt (% GDP)	45	*43*	44	46
	Inflation (indexed % yoy)	4.1%	3.2%	2.9%	2.4%
	Unemployment rate (%)	3.6%	3.7%	3.9%	4.2%
Eurozone	GDP (% yoy)	0.5%	0.8%	1.2%	0.8%
	Inflation (indexed % yoy)	5.4%	*2.4%*	2.0%	1.5%
	Unemployment rate (%)	6.5%	*6.5%*	6.8%	6.8%

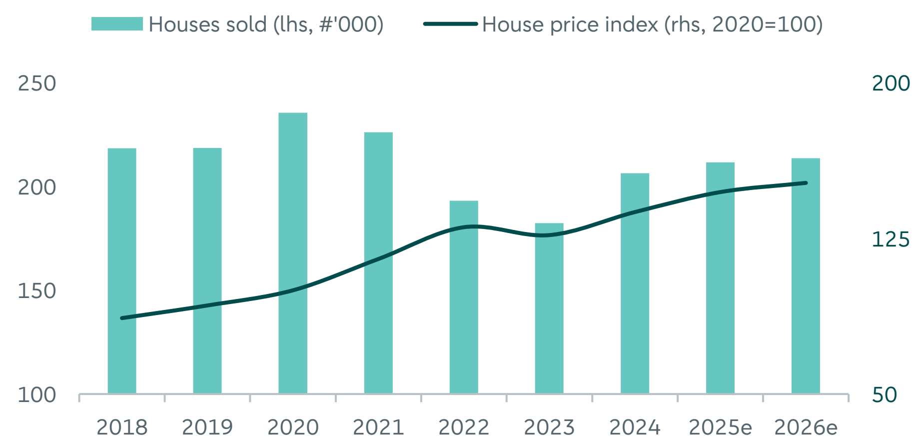
Numbers in italic are estimates for 2024

- Solid growth in the Netherlands in 2025 expected with a small boost to activity in H1 from front-loading of exports to the US
- Stagnation of growth for main trading partner Germany and potential Trump tariffs expected to negatively impact H2 2025
- Domestic demand will drive growth as households benefit from rising real incomes on the back of high wage growth and an expansive fiscal stance from the government
- Trend in house prices expected to continue (+7% for 2025) due to strong fundamentals such as high demand and a supply shortage

Spending positive, PMI and confidence low 2)



Positive trend in housing market to continue 1)

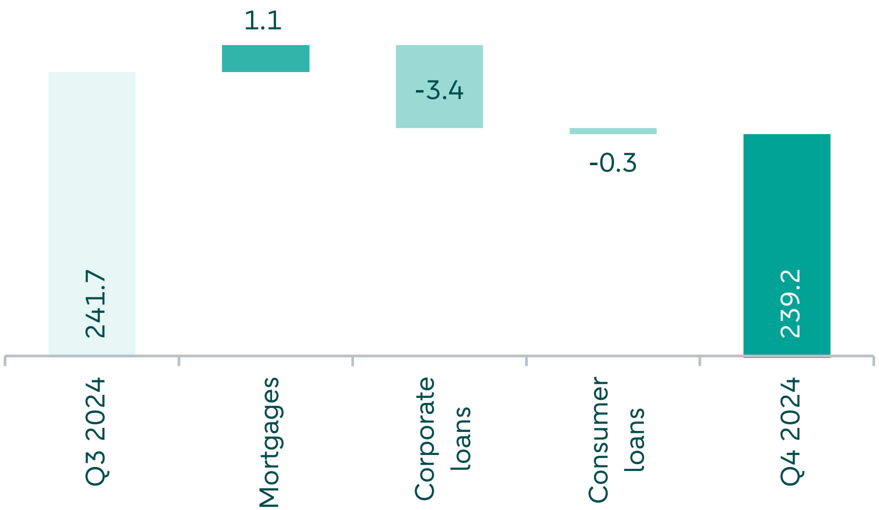


1) Group Economics forecasts as of January 2025, house price estimates +7% for 2025 and +3% for 2026, transaction estimates +2.5% for 2025 and +1.0% for 2026
2) Statistics Netherlands (CBS); Cons. spending % change yoy, consumer confidence seasonally adjusted (eop), PMI is Nevi NL Manufacturing PMI (eop) expansion >0 and contraction <0

Strong growth in mortgages continued, client deposits increased

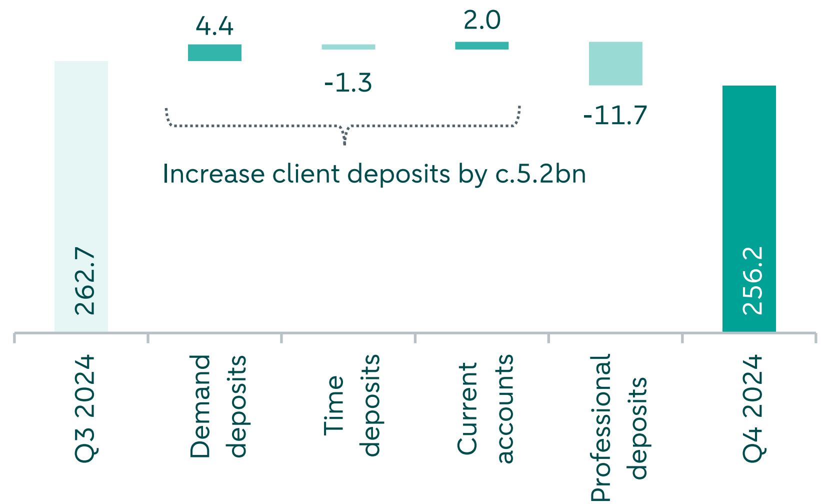
Total client loans lower, despite growth in mortgages

EUR bn



Total client deposits increased

EUR bn

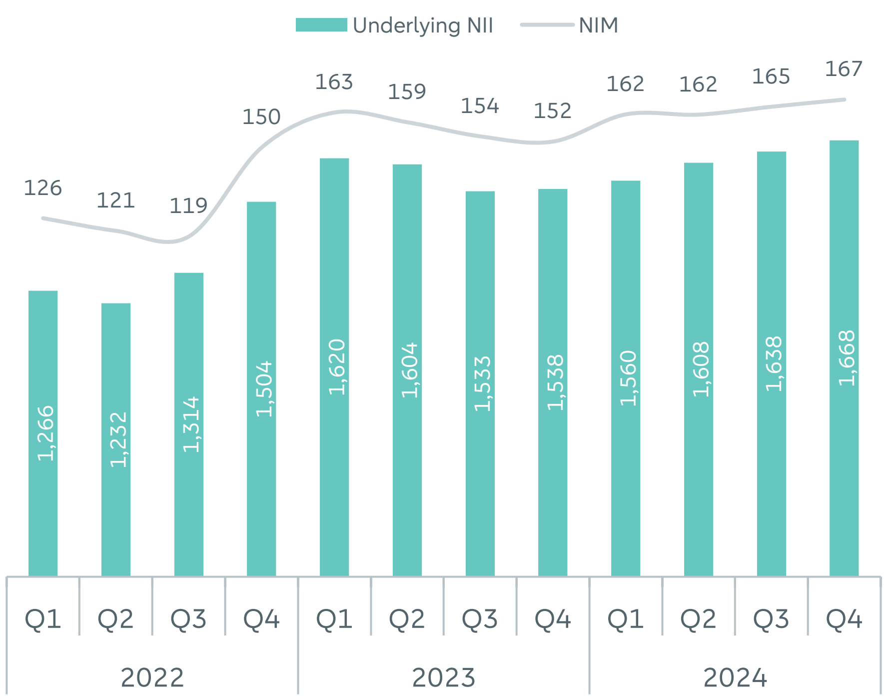


- Growth of mortgage portfolio continued in Q4, full-year growth of over 5bn; full-year market share of 18.7%
- Corporate loans in Q4 impacted by portfolio sales and wind-down of Asset Based Finance as part of optimising capital allocation
- Decrease in consumer loans continued in Q4 bringing the total portfolio to c.8bn at year-end 2024
- Total client deposits increased in Q4; professional deposits are seasonally lower, largely related to time deposits at Treasury

Net interest income improved further, NII for 2024 ended at 6.5bn

Underlying NII and NIM increased 1)

EUR m



- Positive trend in underlying NII 1) and NIM continued in Q4
- Improvement of Treasury result of c.65m partly offset by lower deposit margins
- Around 50m of Treasury result is temporary and largely related to a revenue shift from other income to NII and cash optimisation
- NII for 2024 ended at 6.5bn, above our guidance

1) Underlying NII excludes incidentals (release Euribor provision Q2 2022 28m; provision for revolving consumer credit Q2 2022 -110m, Q2 2023 18m and Q4 2023 -34m; positive revaluation DSB claim Q1 2024 29m) and includes TLTRO benefit (Q1 2022 till Q4 2022, 44m, 41m, 44m and 60m). Both Q2 2024, Q3 2024 and Q4 2024 include releases of c.10m which are non-structural, but are included in underlying NII

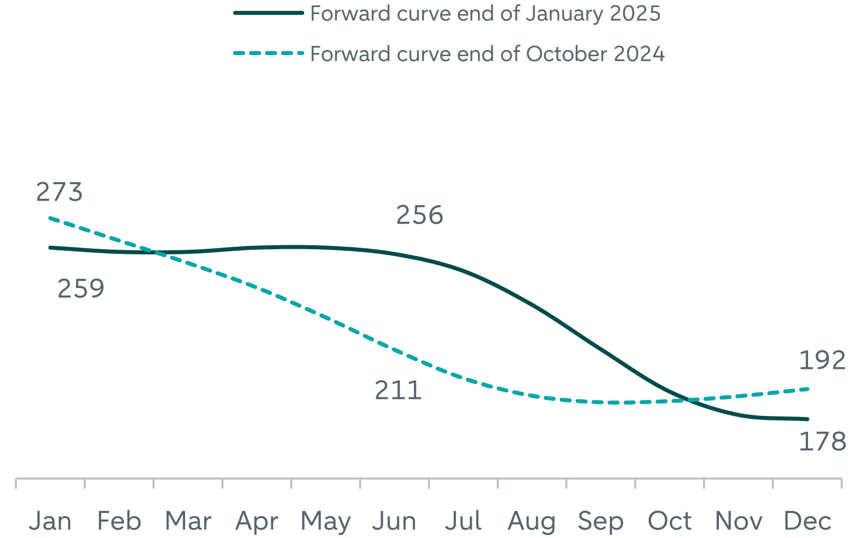
Expected Net interest income for 2025 between 6.2-6.4bn [1)]

Assumptions deposits for 2025 guidance

Replicating portfolio	Savings	Current accounts	Total
Volume at YE2024	c.100bn	c.55bn	c.155bn
Client rate	1.5%	0%	
Guidance assumptions vs replicating income 2024 [2)]			
Δ NII guidance lower range	-200m	-100m	**-300m**
Δ NII guidance upper range	0	-100m	**-100m**

3-month Euribor forward curves for 2025

in bps



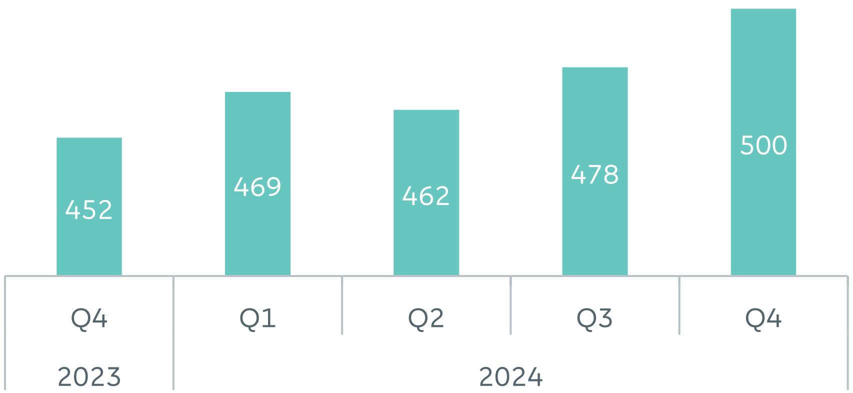
- Based on end of January forward curve replicating income to decline c.0.3bn for 2025 (-0.4bn based on end of October forward rates)
- Replicating portfolio c.155bn, of which 1/3 covers current accounts and 2/3 savings accounts
- NII for 2025 expected between 6.2-6.4bn:
  - Lower end of the range assumes no adjustment to client savings rate
  - Upper end of the range assumes client savings rate move in line with yield on replicating portfolio (i.e. constant margins)
  - Higher Treasury result in 2025 and some volume growth expected to be offset by lower asset margins and lower Clearing NII

1) Excluding impact of acquisition of HAL and based on forward curves of end of January
2) Based on constant volumes for replicating portfolio of c.155bn and forward curves end of January 2025

Growth of 7% in 2024 for fee and commission income

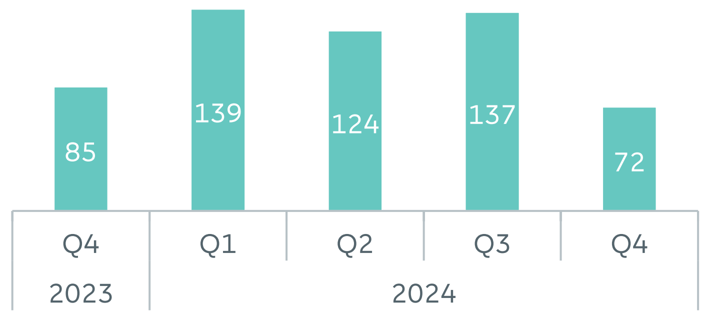
Fee and commission income

EUR m



Underlying other income 1)

EUR m



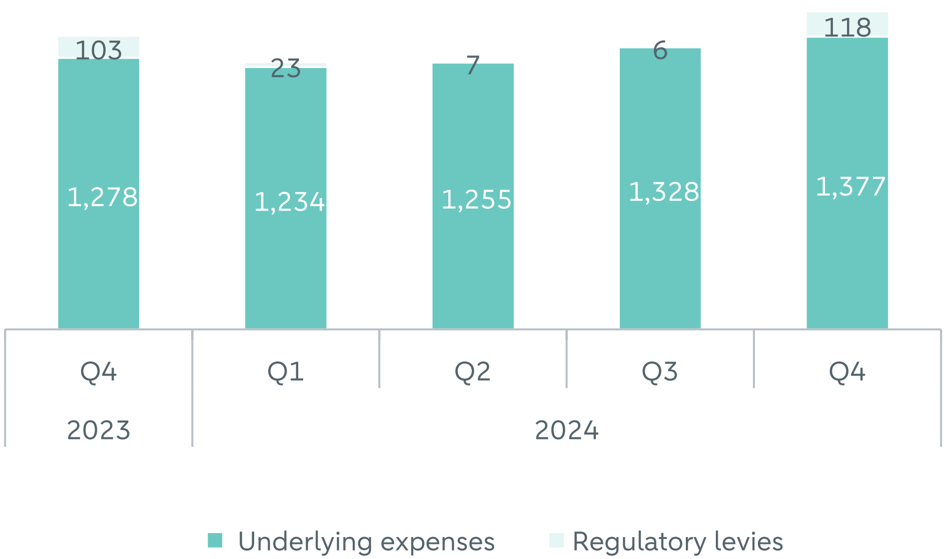
- All client units contributed to the strong fee income in Q4
- Increase in fees in Q4 for Corporate Banking mainly related to higher corporate finance and Clearing fees as trading volumes increased
- Both for Personal & Business Banking and Wealth Management fees were slightly higher compared to Q3
- Underlying other income decreased versus Q3, largely driven by derecognition losses this quarter versus gains in Q3 and lower Treasury results

1) Underlying Other income excludes incidental related to a held for sale adjustment of 24m in Q2 2024

Costs remained under control, 2024 costs ended at 5.3bn

Underlying expenses and regulatory levies [1)]

EUR m



- Increase in underlying expenses from continued upscaling of resources for data capabilities and regulatory programs and some non-recurring costs in Q4
- Costs for 2024 (excluding incidentals) in line with guidance at c.5.3bn [1)]
- For 2025 costs expected to remain broadly flat [2)]
  - regulatory projects are progressing
  - continued simplification of application landscape
  - improvement operational efficiency

1) Underlying expenses exclude incidentals: Q4 2023 goodwill impairments (79m), Q4 2024 restructuring costs ABF (23m) and legal provisions (95m)
2) Excluding impact of acquisition of HAL

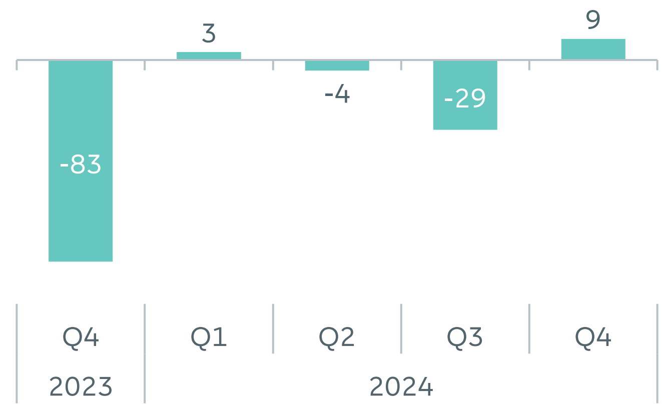
Solid credit quality with low cost of risk

Impaired ratio slightly increased

	Stage 3 loans (EUR m)		Stage 3 coverage ratio	
	Q4 2024	Q3 2024	Q4 2024	Q3 2024
Mortgages	1,919	1,366	2.9%	4.4%
Corporate loans	3,110	3,330	26.1%	25.9%
Consumer loans	222	226	46.1%	46.8%
Total [1]	**5,258**	**4,931**	**18.5%**	**20.9%**
Impaired ratio (stage 3)	**2.1%**	**1.9%**		

Net impairment releases in 2024

EUR m

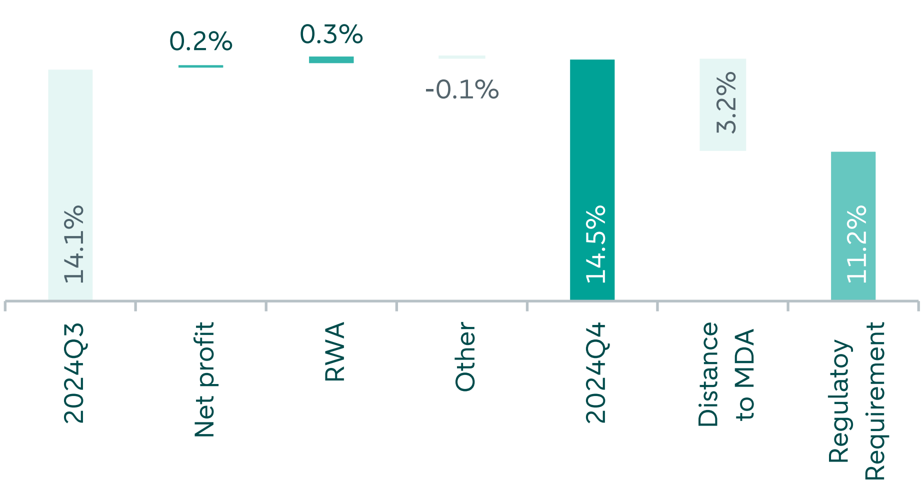


- Stage 3 ratios related to methodology changes which better reflect certain credit risk characteristics, without changing the underlying risk profile as no additional provisions were taken [2]
- Impairments in Q4 of 9m related to additions to new and existing clients and impact of model updates for corporate portfolios, largely offset by lower management overlays
- Management overlays decreased to 140m, mainly from release of the overlay for geopolitical risk as this is now incorporated in models
- Given the quality of our portfolio, 2025 Cost of Risk expected below through the cycle CoR of 15-20bps

1) Total includes other loans and advances customers
2) New methodology better reflects credit risk characteristics related to interest-only mortgages and anticipated impact of a new mortgages model

CET1 capital ratio increased from strong result and lower RWA

Basel III CET1 ratio [1)]



Basel III RWA

EUR bn

- Basel III CET1 ratio increased to 14.5% from addition Q4 result and lower RWAs, capital ratio is well above regulatory requirement
- Basel IV CET1 ratio for Q4 estimated at a similar level as Basel III CET1 ratio
- RWAs declined by 3.0bn, reflecting lower credit risk RWAs, largely in Corporate Banking and to lesser extent Wealth Management
- Part of improvement in asset quality related to data quality improvements (c.0.5bn); capital optimisation transactions contributed to c.0.7bn of the decline in business developments
- Assessment of capital position and potential room for a share buyback in Q2 2025

1) Q3 capital ratio is on a pro-forma basis including 50% of net profit following new prudential expectations by the ECB

Guidance 2025

	2024	Guidance 2025 [1]
Net Interest Income	6.5bn	6.2-6.4bn
Costs	5.3bn [2]	Broadly flat vs 2024
Cost of Risk	-2 bps	Below TTC CoR of 15-20bps
		Targets 2026
Return on equity	10.1%	9-10%
Cost income ratio	61.7%	c.60%
Basel IV CET1 ratio	c.14%	13.5%
Dividend pay-out	50% (1.35 p.s.)	50%

- Strong result in 2024
- Growth in mortgage portfolio
- Improved net interest income
- Fee growth above ambition [3]
- Strict cost discipline
- Solid credit quality
- Basel IV CET1 ratio in line with Basel III (14.5%)

1) Excluding impact of acquisition of HAL
2) Excluding large incidentals of 118m in Q4
3) Fee ambition of 3-5% CAGR 2023-2026

Appendices

Good results for 2024 [1)]

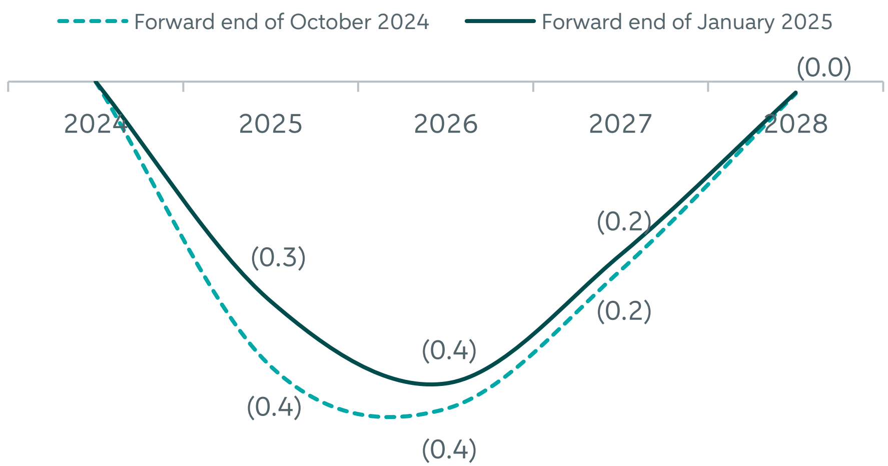
EUR m	Q4 2024	Q3 2024	Δ vs Q3 2024	FY2024	FY2023	Δ vs FY2023
Net interest income	1,668	1,638	2%	6,504	6,278	4%
- Underlying net interest income	*1,668*	*1,638*	*2%*	*6,475*	*6,294*	*3%*
Net fee and commission income	500	478	5%	1,910	1,782	7%
Other operating income	72	137	-48%	447	558	-20%
Operating income	**2,240**	**2,253**	**-1%**	**8,861**	**8,618**	**3%**
Operating expenses	**1,614**	**1,334**	**21%**	**5,467**	**5,233**	**4%**
- Underlying expenses	*1,496*	*1,334*	*12%*	*5,349*	*5,134*	*4%*
- Underlying excl. reg. levies	*1,377*	*1,328*	*4%*	*5,196*	*4,799*	*8%*
Operating result	**626**	**920**	**-32%**	**3,394**	**3,385**	**0%**
Impairment charges	9	-29		-21	-158	-87%
Income tax expenses	220	259	-15%	1,013	847	20%
Profit	**397**	**690**	**-42%**	**2,403**	**2,697**	**-11%**
Client loans (end of period, bn)	239.2	241.7	-2.6	239.2	237.3	1.8
Client deposits (end of period, bn)	229.7	224.5	5.2	229.7	229.0	0.6

1) Underlying is excluding disclosed incidentals, for details see slide on NII and costs

Sensitivity of replicating portfolio interest income – update versus Q3

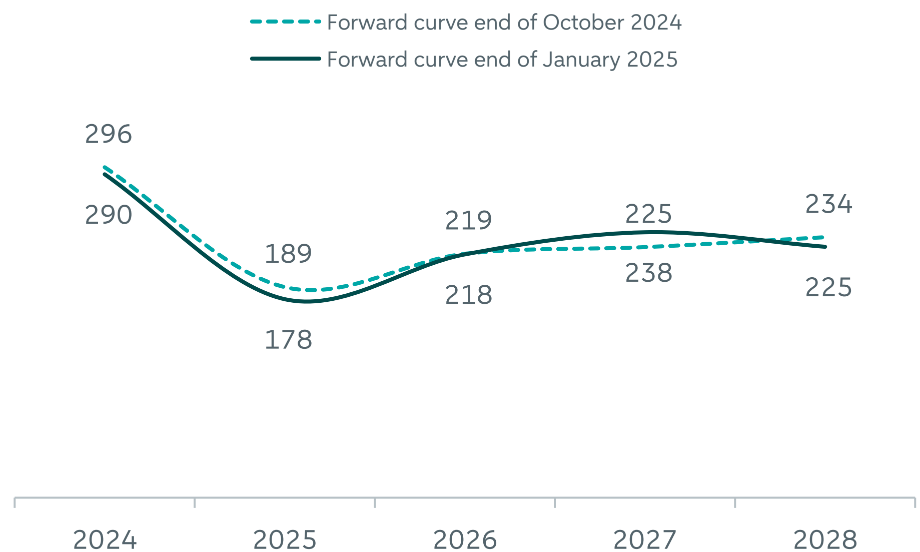
Replicating portfolio income vs 2024 [1]

EUR bn



3-month Euribor forward curves

in bps, end of period



- Interest income generated from the replicating portfolio reached an inflection point during Q3 2024
- Trajectory going forward is dependent on future interest rate developments, with chart above showing simulation for 2 forward curves
- Based on the forward curve of the end of January, replicating income shows a decline of around 0.3bn in 2025

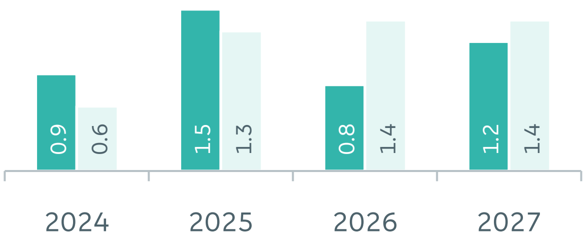
1) Based on constant volumes of c.155bn end of December 2024

Macroeconomic scenarios to calculate expected credit losses [1)]

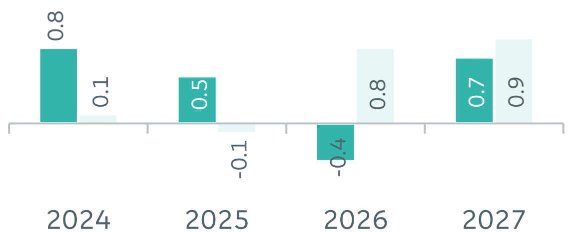
GDP growth NL

Q4 2024 Q3 2024

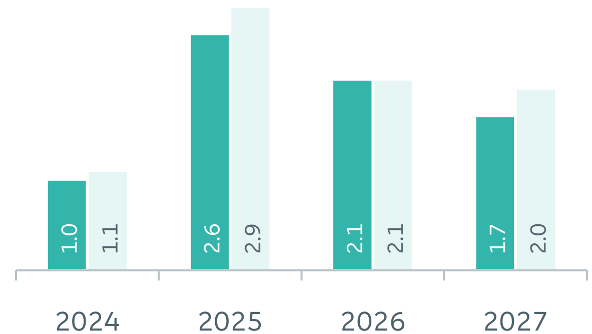
Baseline: 55% (from 60% in Q3)



Negative: 30% (from 25% in Q3)



Positive: 15%



- **Baseline**: Growth remains positive but slows in H1 2025 after a strong 2024; US tariffs hit trade and growth in H2 2025 and 2026. Eurozone recovery boosts external demand, while households benefit from rising real incomes but prefer saving overspending
- **Negative**: Rapid US tariffs and supply chain issues hurt global growth, severely impacting the Dutch economy with reduced exports and domestic demand, leading to higher unemployment and less wage growth. Competitiveness declines with minimal government support
- **Positive:** Milder US tariffs, with potential eurozone exemptions, benefit the Dutch economy, which remains resilient despite geopolitical uncertainty and sustained high interest rates.
- Increase in weighting of negative scenario to reflect US expected tariffs policy

1) Group Economics scenarios per end of November 2024 used for Q4 2024 and per September 2024 used for Q3 2024

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