Quarterly Report fourth quarter 2014

ABN AMRO Group N.V.

Notes to the reader

Introduction

This Quarterly Report presents ABN AMRO's result for the fourth quarter of 2014. The report contains our quarterly operating and financial review, an economic update and selected risk, capital, liquidity and funding disclosures.

Presentation of information

The financial information contained in this Quarterly Report has been prepared according to the same accounting policies and methods of computation as our most recent financial statements, which were prepared in accordance with IFRS-EU. The figures in this document have been neither audited nor reviewed by our external auditor.

As of 1 January 2014, capital metrics and risk exposures according to Basel are reported under the Basel III (CRR/CRD IV) framework. Comparative figures for 2013 are reported according to Basel II. Where applicable, we have provided pro-forma figures for comparison purposes.

As of Q1 2014, management has adopted a view to provide a better understanding of the underlying trends in financial performance. The results reported in accordance with IFRS-EU have been adjusted for defined special items.

ABN AMRO has made a number of changes to its client segmentation in order to better cater to changing client needs. As a result, ABN AMRO has amended its business segmentation, which will also improve transparency of the business segments. As of the third quarter of 2014, ABN AMRO presents four reporting segments: Retail Banking, Private Banking, Corporate Banking (including sub-segment information) and Group Functions.

As of 31 December 2014, ABN AMRO changed the presentation of the statement of financial position and income statement to improve relevance and clarity. Previous periods have been amended accordingly. ABN AMRO believes that the amended presentation aligns better with its business model.

This report is presented in euros (EUR), which is ABN AMRO's presentation currency, rounded to the nearest million (unless otherwise stated). All annual averages in this Quarterly Report are based on month-end figures. Management does not believe that these month-end averages present trends that are materially different from those that would be presented by daily averages.

Certain figures in this report may not tally exactly due to rounding. In addition, certain percentages in this document have been calculated using rounded figures.

In addition to this report, ABN AMRO provides the following supplementary documents for its 2014 results on abnamro.com/ir.

Other publications

- statistical factsheet;
- investor call presentation;
- road show presentation;
- quarterly reports first, second and third quarter 2014.

For a download of this report or more information, please visit us at abnamro.com/ir or contact us at investorrelations@nl.abnamro.com.

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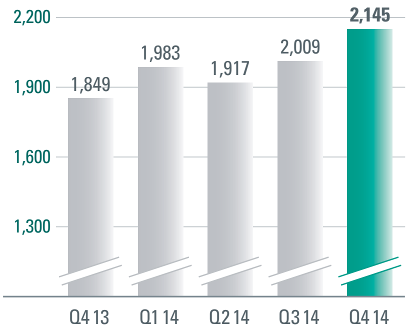
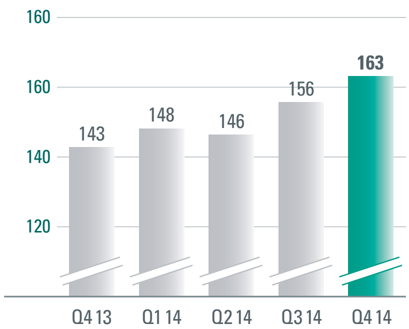
P&L drivers

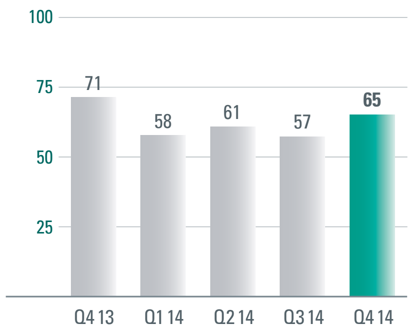
Underlying operating income
(in EUR millions)



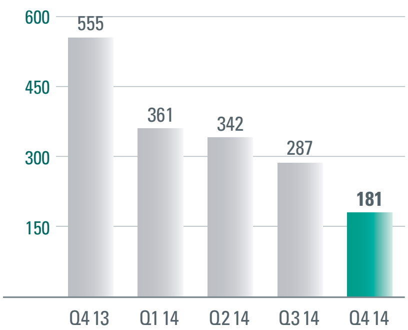
Underlying net interest margin
(in bps)



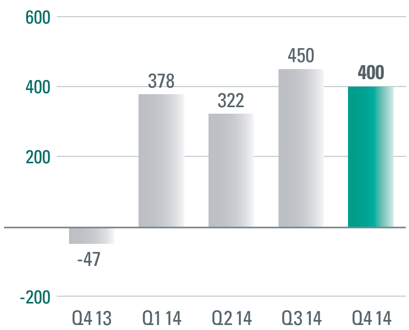
Underlying cost/income ratio
2017 target range is 56-60 (in %)



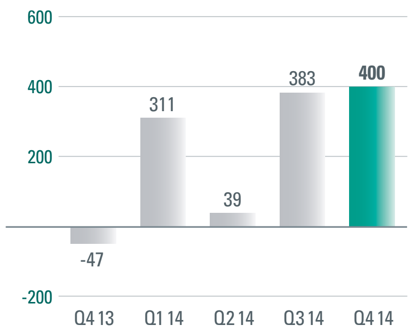
Underlying impairment charges
(in EUR millions)



Underlying net profit
(in EUR millions)

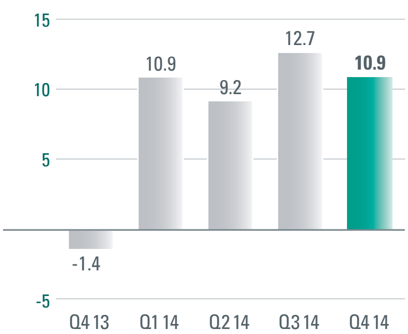


Reported net profit
(in EUR millions)

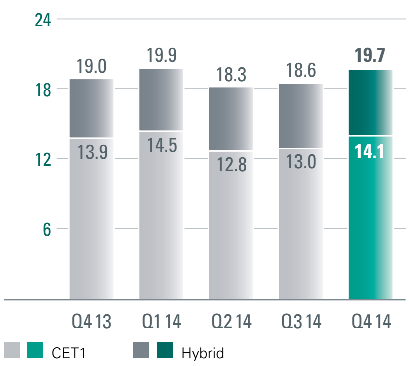


Return on equity & capital

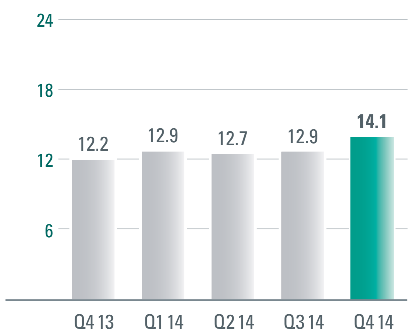
Underlying return on equity
2017 target range is 9-12 (in %)



Regulatory capital
(in %)



Fully-loaded CET1
2017 target range is 11.5-12.5 (in %)



Chairman of the Managing Board's message 2

The Dutch economy remained on a modest growth path in the final quarter of the year. Even though unemployment was marginally higher than it was in the third quarter, Dutch retail sales were up, especially in non-food retail. Also the Dutch housing market showed a further recovery, both in house prices and in the number of transactions.

The pick-up in the Dutch economy is reflected in the improvement of our results in the fourth quarter of 2014. Operating income (in particular net interest income) increased by 16%, whereas costs rose by 6%. The rise in costs was largely due to a reorganisation charge for Retail Banking which had already been announced in the previous quarter. Impairment charges were lower in the fourth quarter of 2014. In fact, this was the lowest level of quarterly impairments seen in the past three years. This was also the fourth consecutive quarter in which impairment charges for mortgages and SMEs were lower. Although impairments for mid-sized to large corporates tend to be sizeable and volatile, there were no big impairment files this quarter. All of these developments resulted in a net underlying profit of EUR 400 million in Q4 2014, rising from a net underlying loss of EUR 47 million in Q4 2013.

We made good progress in meeting the financial targets set for 2017. The full-year underlying net profit doubled to EUR 1,551 million, resulting in an ROE of 10.9% (inside the targeted range for 2017 of 9-12%). We managed to increase interest margins on average, resulting in an 8% rise in operating income. As costs were up by 2%, the cost/income ratio improved by four percentage points to 60%, at the upper end of the targeted range for 2017 of 56-60%. The capital position, measured by a fully-loaded CET1 ratio of 14.1%, exceeded the targeted range for 2017 of 11.5-12.5% for 2017 and gives us a cushion for possible regulatory changes. Given the capital position, we propose a final dividend of EUR 275 million, bringing the total dividend for full-year 2014 to EUR 400 million.

In 2014, we took various additional initiatives to put our clients' interests centre stage. A broad sector-based approach was rolled out to Corporate Banking clients. Many other initiatives are based on technological enhancements as the trend towards digitisation gains momentum. Our customers increasingly prefer to conduct their banking business online and the mobile and online services that we offer have consistently been very highly rated. We are pleased with the progress we have made for our clients and in meeting the financial targets set for 2017.

Looking ahead, we expect economic growth in the Netherlands to pick up further, and this should lead to lower loan impairments and an increase in business activity. On the other hand, the financial industry is subject to increasingly detailed rules and regulations which come at a cost. In addition to the Dutch bank tax which was introduced in 2012, various new mandatory charges will be introduced as from 2015 (for instance the new Deposit Guarantee Scheme and the European Resolution Fund) which are expected to amount to at least an additional EUR 150 million in 2015. Furthermore, pension costs will be higher as a result of the continued low interest rate environment.

We move forward with confidence, dedicating ourselves to the interests of all our stakeholders. I would like to take the opportunity to thank in particular our clients for their trust in our bank and our employees for their hard work and continued dedication.

Gerrit Zalm
Chairman of the Managing Board

economic environment 3

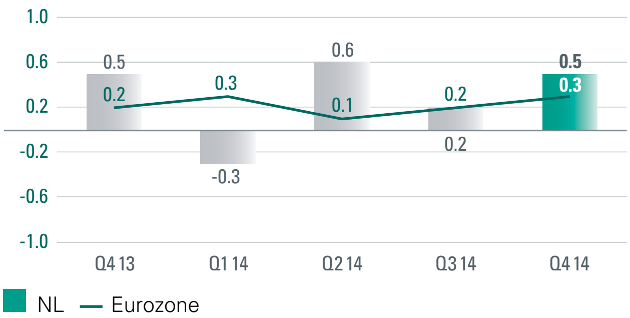
Concerns about the global economic outlook, which had grown in the summer, especially for the eurozone, diminished somewhat in Q4 of 2014. The US economy continued to expand robustly in Q4 by 0.7% quarter-on-quarter, while eurozone economic growth slightly accelerated to 0.3% quarter-on-quarter. The US economic expansion is expected to continue, while we foresee economic growth in the eurozone gathering pace in 2015, helped by the lower euro, substantially lower oil prices, lower financing costs and improvements in the credit channel. Nevertheless, significant uncertainties remain.

Dutch GDP growth accelerated to 0.5% quarter-on-quarter in the final quarter of last year. All in all, average growth in the second half of the year was stronger than in the first half. Growth has become less dependent on exports and more and more on domestic spending. During the recession, exports were the sole driver, but in 2013 investment activity started to contribute, followed by private consumption in the course of 2014. In the first half of 2014, private consumption still declined by 0.2% compared with the preceding six months, which was due to a weather-related drop (quarter-on-quarter) in Q1. Consumption has been growing since Q2. In Q4, it rose by 0.4% quarter-on-quarter. This lifted growth in the second half of 2014 to 0.6% compared with the first half of 2014.

The main reason for the turnaround is that real disposable income is finally rising again. After declining further by almost 1% in 2013, it improved by an estimated 2% last year. Disposable income is expected to improve further. But consumption could possibly be slowed down by the considerable number of 'underwater' mortgages. Some homeowners may still prefer to make extra mortgage repayments before increasing their spending.

GDP

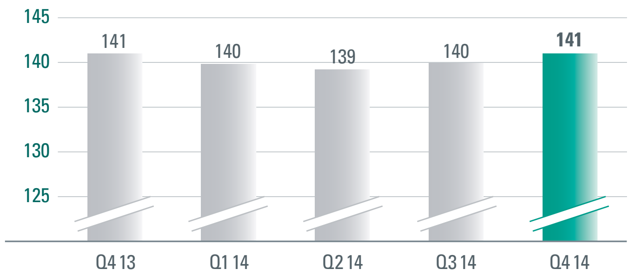
Quarterly development of Gross Domestic Product (in % quarter-on-quarter growth)
source: Eurostat and CBS



- Dutch growth accelerated to 0.5% in Q4 from +0.2% in Q3;
- Exports and especially domestic spending contributed to higher growth;
- Hence, growth was more broadly based.

Domestic demand

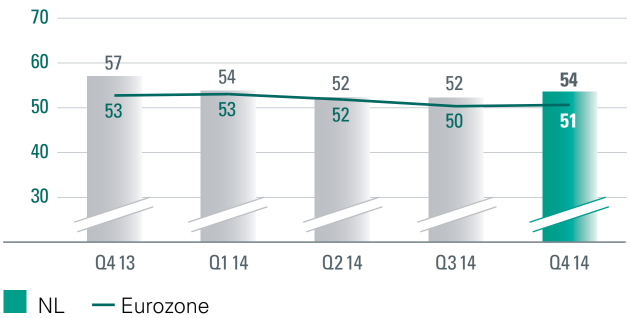
Level of Dutch domestic demand (in EUR billions),
source: CBS



- Firm rise in private consumption in Q4 (+0.4% qoq);
- Further increase in total investment (+2.7% qoq);
- Demand 0.6% up in H2 following a drop in H1 (against preceding six months).

Purchasing Managers' Index

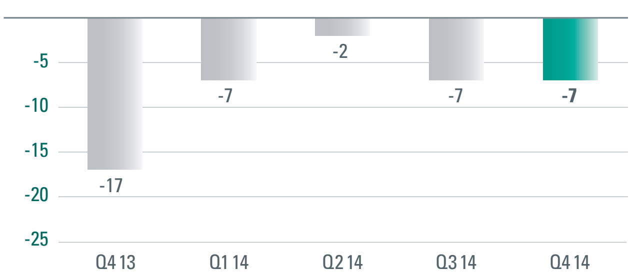
Purchasing Managers' Index (>50: growth, <50: contraction, end-of-period),
source: Markit



- Dutch manufacturing PMI was higher than eurozone PMI in both Q4 and H2;
- PMI above 50, which points to further reconomic growth;
- Sub-index for new (export) orders also rose in Q4 and is well above the 50 mark.

Consumer confidence

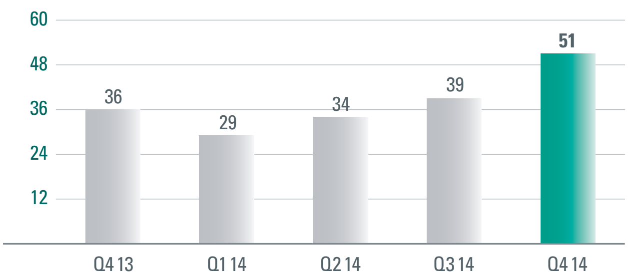
Dutch consumer confidence index (shown as % balance of positive and negative answers, end-of-period), source: CBS



- On balance, confidence was stable between September and December;
- Year-end value (-7) roughly equalled the long-term average.

Houses sold

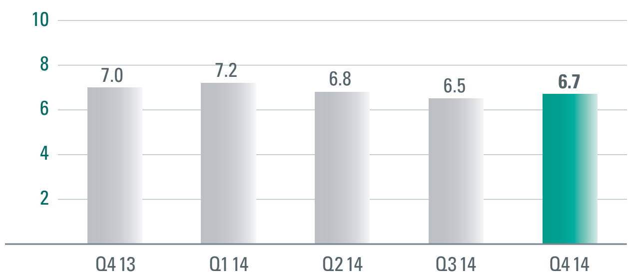
Number of houses sold in the Netherlands (in thousands),
source: CBS



- Transactions rose steeply by 43% year-on-year in Q4 2014 (+39% year-on-year full-year 2014);
- Numbers also pushed up by incidental factors (e.g. temporary more generous gift tax exemption).

Unemployment

Number of Dutch unemployment (in % of total labour force, end-of-period),
source: Eurostat



- Average unemployment fell in 2014 but rose slightly in Q4 due to conflicting forces: a larger number of employed versus more people enterering and re-entering the labour market.

Financial results

operating and financial review 4

This operating and financial review includes a discussion and analysis of the results of operations and sets out the financial condition of ABN AMRO Group for the fourth quarter of 2014 compared with the fourth quarter of 2013, and full-year 2014 compared with full-year 2013 on the basis of underlying results. For a reconciliation of reported versus underlying results, please refer to the Additional financial information section of this report.

Income statement

Operating results

(in millions)	Q4 2014	Q4 2013	Change	Q3 2014	Change	2014	2013	Change
Net interest income	1,620	1,389	17%	1,530	6%	6,023	5,380	12%
Net fee and commission income	431	413	4%	419	3%	1,691	1,643	3%
Other operating income	95	47	101%	61	56%	341	423	-19%
Operating income	**2,145**	**1,849**	**16%**	**2,009**	**7%**	**8,055**	**7,446**	**8%**
Personnel expenses	650	564	15%	591	10%	2,396	2,320	3%
Other expenses	748	752	-1%	557	34%	2,453	2,413	2%
Operating expenses	**1,397**	**1,316**	**6%**	**1,147**	**22%**	**4,849**	**4,733**	**2%**
Operating result	**748**	**533**	**40%**	**862**	**-13%**	**3,206**	**2,713**	**18%**
Impairment charges on loans and other receivables	181	555	-67%	287	-37%	1,171	1,667	-30%
Operating profit/(loss) before taxes	**567**	**- 22**		**575**	**-1%**	**2,035**	**1,046**	**95%**
Income tax expenses	167	25		125	34%	484	294	65%
Underlying profit/(loss) for the period	**400**	**- 47**		**450**	**-11%**	**1,551**	**752**	**106%**
Special items				- 67		- 417	408	
Reported profit/(loss) for the period	**400**	**- 47**		**383**		**1,134**	**1,160**	

Other indicators

	Q4 2014	Q4 2013	Q3 2014	2014	2013
Underlying cost/income ratio	65%	71%	57%	60%	64%
Underlying return on average Equity	10.9%	-1.4%	12.7%	10.9%	5.5%
Net interest margin (NIM) (in bps)	163	143	156	153	134
Underlying cost of risk (in bps)[1]	27	85	46	45	63

1. Cost of risk consists of annualised impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

	31 December 2014	30 September 2014	31 December 2013
Assets under Management (in billions)	190.6	187.5	168.3
FTEs	22,215	22,242	22,289

Fourth-quarter 2014 results

ABN AMRO's **underlying profit** for the fourth quarter of 2014 amounted to EUR 400 million, an increase of EUR 447 million compared with the fourth quarter of 2013, reflecting a sharp decline in impairments and higher net interest income.

The **underlying Return on Equity (ROE)** increased to 10.9% over the fourth quarter of 2014, compared with 1.4% negative in the same period last year. The underlying cost/income ratio in Q4 2014 was 65% compared with 71% in the same quarter of 2013. The fourth quarter in both years includes the full-year charge for the Dutch bank tax.

Operating income increased by 16% to EUR 2,145 million compared with Q4 2013, driven mainly by a significant rise in net interest income.

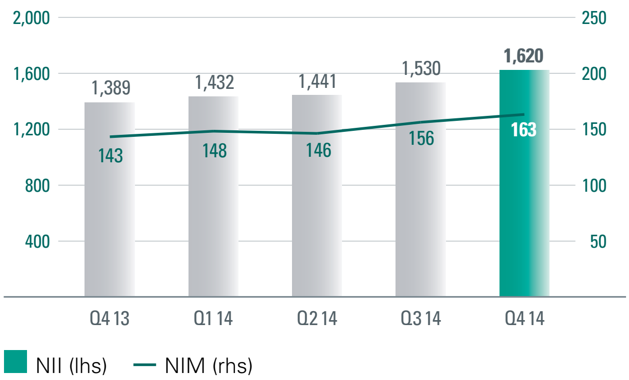
Net interest income continued to rise and amounted to EUR 1,620 million, primarily driven by improved margins on mortgages and improved ALM interest results.

Margins on the mortgage book improved due to continued gradual re-pricing at higher margins. In particular, mortgages originated pre-crisis had low margins. ABN AMRO's market share in new mortgage production in the Netherlands was around 20%, up from Q4 2013.

Margins on commercial loans also improved compared with Q4 2013. Additionally, the average commercial loan volume increased compared with Q4 2013, especially in International Clients. Average commercial loan volumes in Commercial Clients decreased as the number of credit applications from small-sized clients remained low.

Net interest income

(in millions (lhs), in bps (rhs))



Net fee and commission income was EUR 431 million, EUR 18 million higher than in Q4 2013. The increase was primarily recorded in Corporate Banking, driven by higher commitment and corporate finance fees in International Clients.

Other operating income amounted to EUR 95 million in Q4 2014, an increase of EUR 48 million compared with Q4 2013. The increase was primarily driven by a gain of EUR 40 million resulting from the sale of part of the stake in Holland Clearing House and EUR 22 million lower negative CVA/DVA impact (EUR 3 million negative in Q4 2014 versus EUR 25 million negative in Q4 2013). This was partly offset by unfavourable results from hedge accounting. The impact of the Funding Value Adjustment[1] (FVA) in Capital Markets Solutions in the fourth quarter of 2014 was EUR 9 million negative.

1 The Funding Value Adjustment was adopted as from the third quarter of 2014 and incorporates the incremental cost of funding in the valuation of uncollateralised and partly collateralised derivatives.

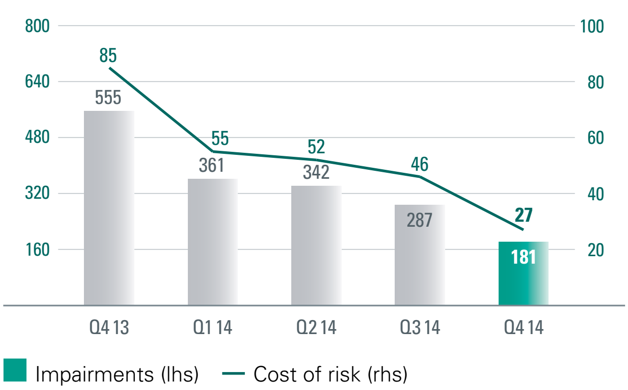
Personnel expenses amounted to EUR 650 million, an increase of EUR 86 million or 15% compared with Q4 2013. The fourth quarter of 2014 included a restructuring provision of EUR 60 million related to the programme to accelerate digitisation in Retail Banking as announced in the Quarterly Report Q3 2014. Additions to existing restructuring provisions and full consolidation of the acquired German private banking activities of Credit Suisse also contributed to increased Personnel expenses. These increases were offset by the effect of lower average FTE levels in existing operations and adjustments to employee benefits.

Other expenses were virtually flat, at EUR 748 million. The fourth quarter in both years included the full-year charge of the Dutch bank tax (EUR 91 million in 2014 versus EUR 106 million in 2013). Both quarters also comprised releases related to the DSB deposit guarantee scheme (EUR 66 million in Q4 2014 versus EUR 31 million in Q4 2013). Also, Q4 2014 comprised EUR 84 million higher IT project costs and a goodwill impairment of EUR 25 million. The fourth quarter of 2013 included EUR 52 million accelerated depreciation on fixed assets.

Operating result amounted to EUR 748 million. The underlying cost/income ratio was 65%, six percentage points below Q4 2013. The fourth quarter in both years included the full-year charge for the Dutch bank tax. If the Dutch bank tax had been equally divided over the quarters, the cost/income ratio would have been 62%.

Impairment charges on loans and other receivables amounted to EUR 181 million, down by EUR 374 million compared with the same quarter in 2013. The decrease in loan impairments was observed in all business lines and products.

Impairment charges
(in millions (lhs), in bps (rhs))



Following the ECB Asset Quality Review (AQR), ABN AMRO changed the IBNI assumptions for the programme lending portfolios in Retail Banking in the fourth quarter of 2014. This resulted in an addition of EUR 40 million to the IBNI allowance (EUR 4 million mortgages, EUR 24 million consumer loans and EUR 12 million commercial loans to enterprises with a turnover up to EUR 1 million (YBB)).

Mortgage impairment charges over the total mortgage book were significantly lower at 5bps (annualised) for the fourth quarter of 2014, down from 24bps in the same quarter of the previous year, and 8bps in Q3 2014. Although still fragile, the improved circumstances in the housing market and recovery of the Dutch economy contributed to lower inflow of clients in the impaired portfolio, increased outflow of clients to the performing portfolio and more final settlements of impaired exposures, which all had a positive impact on the impairment level of mortgages in the fourth quarter of 2014.

Loan impairments for commercial loans declined sharply across all segments compared with Q4 2013. This was primarily due to lower loan impairments on small-sized Commercial Clients, which have continued to decline since the fourth quarter of 2013. Although loan impairments on medium-sized and large Commercial Clients and on International Clients were also lower compared with Q4 2013, they remained at elevated levels. The largest impairment charges on commercial loans in the fourth quarter of 2014 were recorded in the industry sectors Industrial goods & services and Retail.

The decline in loan impairments on the commercial loan portfolio is certainly a positive sign. Nevertheless, the level of the assets under management by the Financial Restructuring & Recovery department remained elevated.

The **underlying cost of risk** (annualised impairment charges over average Loans and receivables - customers) amounted to 27bps, down from 85bps in Q4 2013.

Assets under Management (AuM) grew by EUR 3.1 billion in the fourth quarter of 2014 to EUR 190.6 billion. The increase was due mainly to improved market performance as stock markets improved.

Results full-year 2014

The **underlying profit** for full-year 2014 more than doubled to EUR 1,551 million. Underlying ROE increased to 10.9% in 2014 from 5.5% in 2013 and is within the targeted ROE range for 2017.

The **reported net profit** for full-year 2014 amounted to EUR 1,134 million and includes a EUR 216 million charge for the transition to a new pension scheme as well as a EUR 201 million levy for the nationalisation of SNS Reaal. Based on the reported net profit, a final dividend of EUR 275 million will be proposed, bringing the total dividend for 2014 to EUR 400 million.

Operating income grew by 8% to EUR 8,055 million, reflecting a continued improvement of net interest income.

Net interest income increased by EUR 643 million, or 12%, to EUR 6,023 million. Interest income improved across all segments.

The increase was driven mainly by improved margins on retail deposits as a result of enhanced re-pricing abilities. Interest income on mortgages also increased, despite a decling portfolio volume. Margins on the mortgage book improved due to gradual re-pricing at higher margins. The increase in interest income on commercial loans was driven by margin improvements in Commercial Clients and portfolio growth in ECT. ALM interest results also improved compared with 2013.

Net fee and commission income rose modestly, primarily due to higher commitment fees and corporate finance advisory fees in International Clients.

Other operating income amounted to EUR 341 million and was impacted primarily by lower results in Capital Markets Solutions. These lower results were driven by application of the FVA (EUR 52 million), unfavourable CVA/DVA results (EUR 6 million negative in 2014 versus results-neutral impact in 2013), and lower volumes following the phased wind-down of equity derivative activities, which started in the first half of 2013.

Operating expenses increased modestly to EUR 4,849 million, due mainly to a restructuring provision of EUR 60 million related to accelerated digitisation in Retail Banking, higher project costs (mainly ECB Comprehensive Assessment and acquisition and integration of the German private banking activities of Credit Suisse), and a goodwill impairment. This was only partly offset by a higher release from the provision related to the DSB deposit guarantee scheme and lower Dutch bank tax in 2014. The fourth quarter of 2013 included the impact of accelerated depreciation of fixed assets.

Operating result increased by EUR 493 million and the underlying cost/income ratio improved to 60% from 64% in 2013.

Impairment charges on loans and other receivables were down EUR 496 million from the high levels recorded in 2013. The decline in impairment charges was mainly recorded for mortgages (13bps over average total loan book in 2014 versus 24bps over average total loan book in 2013) and small-sized Commercial Clients. The decline was partly offset by higher additions for medium-sized and large Commercial Clients and International Clients, although the fourth quarter of 2014 showed a positive development in these client segments as well. Impairments on real estate clients were lower than in 2013.

Underlying cost of risk (annualised impairment charges over average Loans and receivables - customers) decreased to 45bps from 63bps in 2013.

International results

ABN AMRO aims to selectively grow some of its international activities and their contribution to operating income. To this end, the bank seeks to leverage strong and proven capabilities in selective international markets with a high growth outlook. The ambition is to increase international operating income to 20-25% of total operating income in 2017.

International results are results from activities recorded in booking entities outside the Netherlands. Although all reporting segments contribute to the international results, Private Banking and International Clients are the main contributors.

Operating income from international activities grew by 10% compared with full-year 2013 and represents 19% of overall operating income (18% in 2013). The increase was mainly due to volume growth in the foreign ECT Clients activities and improved interest margins and higher fee income in the international Private Banking activities.

Balance sheet

At 31 December 2014, ABN AMRO changed the presentation of the balance sheet retrospectively to improve its relevance and clarity. ABN AMRO believes that the amended presentation aligns better with its business model.

Condensed consolidated statement of financial position

(in millions)	31 December 2014	30 September 2014	31 December 2013
Cash and balances at central banks	706	815	9,523
Financial assets held for trading	9,017	12,475	12,019
Derivatives	25,285	23,098	14,271
Financial investments	41,466	40,331	28,111
Securities financing	18,511	38,059	18,362
Loans and receivables - banks	21,680	17,875	23,967
Loans and receivables - customers	261,910	261,189	257,028
Other	8,292	8,511	8,741
Total assets	**386,867**	**402,352**	**372,022**
Financial liabilities held for trading	3,759	4,920	4,399
Derivatives	30,449	26,574	17,227
Securities financing	13,918	28,979	12,266
Due to banks	15,744	16,055	11,626
Due to customers	216,011	214,893	207,584
Issued debt	77,131	81,314	88,682
Subordinated liabilities	8,328	8,164	7,917
Other	6,652	6,910	8,753
Total liabilities	**371,990**	**387,808**	**358,454**
Equity attributable to the owners of the parent company	14,865	14,532	13,555
Equity attributable to non-controlling interests	12	12	13
Total equity	**14,877**	**14,544**	**13,568**
Total liabilities and equity	**386,867**	**402,352**	**372,022**

Main developments in total assets compared with 30 September 2014

Total assets decreased to EUR 386.9 billion at 31 December 2014 from EUR 402.4 billion at 30 September 2014, mainly due to a decline in Securities financing assets.

Financial assets held for trading decreased by EUR 3.5 billion compared with 30 September 2014, to EUR 9.0 billion. This decrease was driven mainly by lower government bond positions and a reclassification of EUR 2.2 billion to Loans and receivables - customers (Other loans).

Derivative assets were EUR 2.2 billion higher, mainly reflecting the impact of movements in mid- to long-term interest rates on the fair value of the derivatives. This is also observed in the Derivative liabilities.

Financial investments rose by EUR 1.1 billion as cash was invested in highly liquid assets in the liquidity buffer.

Securities financing declined by EUR 19.5 billion compared with 30 September 2014, to EUR 18.5 billion at 31 December 2014. The decline is related to the cyclicality of the business, as clients wind down their positions towards year-end.

Loans and receivables - banks increased by EUR 3.8 billion compared with 30 September 2014, mainly as a result of increased deposits at DNB and, to a lesser extent, collateral pledged on derivative positions.

Loans and receivables - customers increased by EUR 0.8 billion. The increase was primarily the result of a reclassification of EUR 2.2 billion to Other loans from

Financial assets held for trading. Client loans declined by EUR 2.5 billion as both mortgages and commercial loans declined.

Residential mortgages decreased by EUR 1.2 billion. Despite significantly increased new mortgage production, the volume in the last quarter of 2014 declined as extra repayments spiked (+37% compared with the same quarter in 2013). The spike in extra repayments can partly be explained by the cancellation of the beneficial tax treatment of mortgage-related gifts as per 1 January 2015.

Commercial loans to clients declined as the number of credit applications in Commercial Clients remained at low levels. This was only partly offset by growth in the ECT Clients loan book.

Loans and receivables - customers

(in millions)	31 December 2014	30 September 2014	31 December 2013
Residential mortgages	148,402	149,637	150,493
Consumer loans	16,052	16,151	16,241
Commercial loans to clients[1]	80,065	81,262	78,251
Total client loans[2]	**244,519**	**247,050**	**244,985**
Commercial loans to professional counterparties	9,635	8,695	9,798
Other loans[3]	6,777	5,197	2,821
Total Loans and receivables - customers[4]	**260,931**	**260,942**	**257,604**
Fair value adjustments from hedge accounting	5,739	5,311	4,399
Less: loan impairment allowance	4,761	5,064	4,975
Total Loans and receivables - customers	**261,910**	**261,189**	**257,028**

1. Including lease and factoring loans, excluding commercial loans to professional counterparties.
2. Gross carrying amount excluding fair value adjustment from hedge accounting.
3. Other loans consists of loans and receivables to government, official institutions and financial markets parties.
4. Gross carrying amount excluding fair value adjustment from hedge accounting.

Main developments in total liabilities compared with 30 September 2014

Total liabilities declined by EUR 15.8 billion compared with 30 September 2014, mainly due to decreased Securities financing liabilities.

Financial liabilities held for trading were EUR 1.2 billion lower, due to decreased short bond positions.

Derivative liabilities increased by EUR 3.8 billion to EUR 30.4 billion at 31 December 2014, mainly reflecting the impact of movements in the mid- to long-term interest rates.

Securities financing decreased by EUR 15.1 billion to EUR 13.9 billion at 31 December 2014. The decline is related to the cyclicality of the business as clients wind down their positions towards year-end.

Due to banks was almost stable at EUR 15.7 billion at 31 December 2014. Money market positions declined, which was partly offset by a participation of EUR 2.0 billion in the second tranche of the Targeted Long-Term Refinancing Operations (TLTRO).

Due to customers increased by EUR 1.1 billion, driven by client deposits in Private Banking and in Corporate Banking. Retail Banking recorded a small decrease in the Netherlands as many clients used their deposits to redeem their mortgages. Private Banking acquired additional deposits in the Netherlands. The overall market share in retail deposits (including Private Banking) in the Netherlands was marginally down to 23%[2] in the fourth quarter of 2014. Corporate Banking saw an increase on client accounts in Commercial Clients and International Clients (ECT Clients). Money market deposits decreased compared with 30 September 2014.

2 Source: De Nederlandsche Bank (DNB)

Due to customers

(in millions)	31 December 2014	30 September 2014	31 December 2013
Retail Banking	95,915	96,871	93,403
Private Banking	62,902	61,865	59,464
Corporate Banking	54,740	52,532	51,667
Group Functions	2,454	3,625	3,050
Total Due to customers	**216,011**	**214,893**	**207,584**
Demand deposits	109,753	105,804	100,151
Saving deposits	88,655	89,962	87,448
Time deposits	17,459	18,988	19,638
Total deposits	**215,867**	**214,754**	**207,237**
Other borrowings	144	139	347
Total Due to customers	**216,011**	**214,893**	**207,584**

Issued debt decreased by EUR 4.2 billion to EUR 77.1 billion as wholesale funding was partly replaced by client deposits and the TLTRO. a total of EUR 1.2 billion in long-term funding matured in the fourth quarter of 2014, and an amount of EUR 2.5 billion in short-term funding was not rolled over. Additionally, RMBS declined by EUR 1.7 billion. New issuance of long-term wholesale funding was EUR 0.5 billion in the fourth quarter.

Subordinated liabilities remained virtually unchanged at EUR 8.3 billion.

Total equity increased to EUR 14.9 billion. The increase was mainly the result of reported profit for the period, partly offset by the payment of the interim dividend in November 2014.

Main balance sheet developments compared with 31 December 2013

Total assets grew by EUR 14.8 billion to EUR 386.9 billion at 31 December 2014 from EUR 372.0 billion at 31 December 2013. The increase was largely due to Financial investments and Derivative assets. Financial investments increased due to investments in the liquidity buffer. Derivative assets increased on the back of interest and FX rates movements impacting the valuation of derivatives (this is also reflected in the Derivative liabilities). This was partly offset by lower deposits at central banks.

Total liabilities grew to EUR 372.0 billion at 31 December 2014 from EUR 358.5 billion at 31 December 2013. The increase of EUR 13.5 billion was largely due to a rise in Derivative liabilities (see also Derivative assets) and growth in client deposits. This was partly offset by lower Issued debt securities.

results by segment 5

The results by segment section includes a discussion and analysis of the results of operations, and of the financial condition of ABN AMRO Group at segment level for the fourth quarter of 2014 compared with the fourth quarter of 2013, on the basis of underlying results. As from 2014, the costs of the liquidity buffer and a higher proportion of IT project costs are passed on from Group Functions to the business lines. This has a negative impact on the results of Retail, Private and Corporate Banking and a positive impact on the results of Group Functions.

Retail Banking

Operating results

(in millions)	Q4 2014	Q4 2013	Change	Q3 2014	Change	2014	2013	Change
Net interest income	885	806	10%	855	4%	3,379	3,115	8%
Net fee and commission income	124	140	-11%	130	-4%	522	547	-5%
Other operating income	14	1		9	51%	41	29	43%
Operating income	**1,024**	**947**	**8%**	**994**	**3%**	**3,942**	**3,691**	**7%**
Personnel expenses	186	130	43%	122	52%	560	516	8%
Other expenses	411	408	1%	353	16%	1,475	1,413	4%
Operating expenses	**597**	**538**	**11%**	**475**	**26%**	**2,035**	**1,929**	**5%**
Operating result	**427**	**409**	**4%**	**519**	**-18%**	**1,907**	**1,762**	**8%**
Impairment charges on loans and other receivables	99	178	-45%	70	40%	460	679	-32%
Operating profit/(loss) before taxation	**328**	**231**	**42%**	**448**	**-27%**	**1,447**	**1,082**	**34%**
Income tax expenses	90	71	27%	112	-20%	368	282	30%
Underlying profit/(loss) for the period	**238**	**160**	**49%**	**336**	**-29%**	**1,079**	**800**	**35%**
Special items								
Reported profit/(loss) for the period	**238**	**160**		**336**		**1,079**	**800**	

Retail Banking's **underlying profit** rose by EUR 78 million to EUR 238 million in Q4 2014, up 49% on the fourth quarter of 2013. This increase was mainly the result of lower loan impairments and higher net interest income.

Net interest income grew by 10% compared with Q4 2013 to EUR 885 million in Q4 2014. The increase in Net interest income was primarily driven by improved mortgage margins.

Margins on mortgages improved due to gradual re-pricing of the mortgage book at higher margins. In particular mortgages originated pre-crisis have low margins. Market share on new mortgage production in the Netherlands was around 20%[1], higher than in Q4 2013.

Interest income on consumer lending increased as margins improved. This was only partly offset by a decline in average loan volumes.

Interest income on deposits improved and average deposit volumes increased compared with the fourth quarter of 2013. Margins improved only slightly.

Net fee and commission income showed a marked decline and amounted to EUR 124 million as, amongst others, the switch to an all-in fee model for investment products in the Netherlands pushed down fee income.

Personnel expenses increased by 43% compared with Q4 2013, due to a restructuring provision of EUR 60 million. The restructuring provision is related to the programme to accelerate digitisation as announced in the Q3 2014 Quarterly Report. Excluding the restructuring provision, personnel expenses decreased modestly, resulting from a decline in the number of FTEs following a further reduction in the number of branches in the Netherlands.

Other expenses were up 1% to EUR 411 million due to a rental provision in Q4 2014, partly offset by a lower bank Dutch tax charge in Q4 2014 compared with Q4 2013.

Operating result increased by 4% to EUR 427 million in Q4 2014, despite the restructuring provision. The underlying cost/income ratio was up 1 percentage point to 58%.

Impairment charges on loans and other receivables fell significantly, by EUR 79 million in comparison with Q4 2013. The decline was driven mainly by lower impairments on mortgages. This decrease was despite an EUR 40 million addition to the IBNI allowance, following the AQR (EUR 4 million mortgages, EUR 24 million consumer loans and EUR 12 million commercial loans to enterprises with a turnover up to EUR 1 million (YBB)).

Although still fragile, the improved circumstances in the housing market and recovery of the Dutch economy contributed to lower inflow of clients in the impaired portfolio, increased outflow of clients to the performing portfolio and more final settlements of impaired exposures, which all had a positive impact on the impairment level of mortgages in the fourth quarter of 2014.

The impairment charges on the consumer lending portfolio were virtually stable compared with the fourth quarter of 2013, despite the additional IBNI charge.

Impairment charges on the YourBusiness Banking portfolio (clients with turnover of less than EUR 1 million) declined significantly. The fourth quarter of 2013 saw the highest loan impairments on this portfolio in the last eight quarters.

1 Source: Dutch Land Registry (Kadaster)

Other indicators

	Q4 2014	Q4 2013	Q3 2014	2014	2013
Underlying cost/income ratio	58%	57%	48%	52%	52%
Underlying cost of risk (in bps)[1]	25	44	18	29	42

	31 December 2014	30 September 2014	31 December 2013
Loan-to-Deposit ratio	158%	159%	165%
Loans and receivables - customers (in billions)[2]	156.0	157.9	159.0
Due to customers (in billions)[2]	95.9	96.9	93.4
Risk exposure amount (in billions)[3]	36.8	37.5	34.3
FTEs	6,258	6,335	6,503

1. Cost of risk consists of annualised impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.
2. Excluding Securities financing due to the new presentation of the balance sheet.
3. 2013 figures are reported under Basel II and the 2014 figures are reported using the Basel III (CRR/CRD IV) framework.

Loans and receivables - customers decreased by EUR 1.9 billion compared with 30 September 2014. Despite significantly increased new mortgage production, the Retail Banking mortgage portfolio in the fourth quarter of 2014 decreased by EUR 1.5 billion as extra repayments spiked. The spike in extra repayments can partly be explained by the expiration of the tax-beneficial mortgage-related gifts.

Due to customers decreased by EUR 1.0 billion compared with 30 September 2014, as more clients used their deposit balances to redeem their mortgages or for the possibility of making a tax-beneficial home investment or mortgage-related gifts.

Private Banking

Operating results

(in millions)	Q4 2014	Q4 2013	Change	Q3 2014	Change	2014	2013	Change
Net interest income	156	139	12%	149	5%	597	529	13%
Net fee and commission income	140	137	3%	138	1%	544	532	2%
Other operating income	4	12	-68%	17	-77%	51	57	-10%
Operating income	**301**	**288**	**4%**	**304**	**-1%**	**1,193**	**1,118**	**7%**
Personnel expenses	123	106	16%	116	6%	460	442	4%
Other expenses	156	115	36%	116	35%	503	416	21%
Operating expenses	**279**	**221**	**26%**	**232**	**20%**	**964**	**858**	**12%**
Operating result	**21**	**67**	**-68%**	**73**	**-71%**	**229**	**260**	**-12%**
Impairment charges on loans and other receivables	- 12	33		13		23	141	-84%
Operating profit/(loss) before taxation	**33**	**34**	**-1%**	**60**	**-45%**	**206**	**119**	**73%**
Income tax expenses	19	7		10	85%	46	16	
Underlying profit/(loss) for the period	**15**	**27**	**-46%**	**50**	**-71%**	**160**	**104**	**54%**
Special items								
Reported profit/(loss) for the period	**15**	**27**		**50**		**160**	**104**	

Private Banking's **underlying profit** declined by EUR 12 million year-on-year to EUR 15 million in Q4 2014. The decrease was due to higher operating expenses. The acquired German private banking activities of Credit Suisse were consolidated as of 1 September 2014. The full-quarter effect is therefore visible for the first time in the fourth quarter of 2014.

Net interest income amounted to EUR 156 million, up by 12% compared with Q4 2013. This increase was largely driven by higher volume and improved margins on deposits in the Netherlands. Margins in the international activities improved as well.

Net fee and commission income grew by 3% year-on-year to EUR 140 million in Q4 2014. Net fees for the international activities increased mainly as a result of the acquired German activities and higher Assets under Management. Net fees in the Netherlands declined primarily due to higher lead fees paid to Retail and Corporate Banking for providing new prospects. The switch to an all-in fee model for investment products in the Netherlands also pushed down fee income.

Other operating income in Q4 2014 was EUR 8 million lower compared with the same quarter in 2013 due mainly to a provision for a legal claim.

Personnel expenses increased by 16% or EUR 17 million and amounted to EUR 123 million in Q4 2014. The increase was partly attributable to the acquired German activities. Some smaller movements in employee benefits and restructuring provisions accounted for the remainder of the increase.

Other expenses increased by EUR 41 million compared with Q4 2013 due primarily to the acquired German activities (both project costs and recurring expenses) and a goodwill impairment of EUR 25 million. Other expenses in Q4 2014 also rose compared with the same period in 2013 due to higher allocation of IT costs incurred for improvement of the core IT systems and processes in the coming years.

Operating result was down 68% and amounted to EUR 21 million. The underlying cost/income ratio for Private Banking increased by 16 percentage points to 93% in the fourth quarter of 2014.

Impairment charges on loans and other receivables came down by EUR 45 million to a net release of EUR 12 million. Impairment charges in the Netherlands were significantly lower than in Q4 2013, which were extraordinarily high, and a release was recorded on a specific file in the international activities.

Assets under Management

(in billions)	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Opening balance AuM	**187.5**	**176.4**	**170.6**	**168.3**
Net new assets (excl. sales/acquisitions)[1]	0.3	2.0	3.1	0.1
Market performance[1]	2.7	0.8	3.1	2.1
Divestments/acquisitions		8.2		
Other (incl. sales/acquisitions)		0.1	-0.3	0.1
Closing balance AuM	**190.6**	**187.5**	**176.4**	**170.6**
Breakdown by AuM type				
Cash	63.6	62.8	61.0	60.9
Securities	127.0	124.7	115.4	109.6
Breakdown by geography (in %)				
The Netherlands	47%	47%	49%	48%
Rest of Europe	44%	45%	43%	44%
Rest of the world	9%	9%	8%	8%

1. The AuM flows were incorrectly reported in the first three quarters of 2014 and have been corrected retroactively. Total AuM was reported correctly.

Assets under Management grew by EUR 3.1 billion in the fourth quarter to EUR 187.5 billion at 31 December 2014. The increase was primarily due to improved market performance as the stock markets improved.

Other indicators

	Q4 2014	Q4 2013	Q3 2014	2014	2013
Underlying cost/income ratio	93%	77%	76%	81%	77%
Underlying cost of risk (in bps)[1]	- 28	86	30	14	89

	31 December 2014	30 September 2014	31 December 2013
Loan-to-Deposit ratio	26%	27%	26%
Loans and receivables - customers (in billions)[2]	16.7	16.6	15.5
Due to customers (in billions)[2]	62.9	61.9	59.5
Risk exposure amount (in billions)[3]	8.3	8.2	8.8
FTEs	3,599	3,586	3,442

1. Cost of risk consists of annualised impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.
2. Excluding Securities financing due to the new presentation of the balance sheet.
3. 2013 figures are reported under Basel II and the 2014 figures are reported using the Basel III (CRR/CRD IV) framework.

Loans and receivables - customers was virtually stable at EUR 16.7 billion.

Due to customers increased by EUR 1.0 billion compared with 30 September 2014 due mainly to an increase on current accounts in the Netherlands.

Corporate Banking

Operating results

(in millions)	Q4 2014	Q4 2013	Change	Q3 2014	Change	2014	2013	Change
Net interest income	545	482	13%	506	8%	2,019	1,852	9%
Net fee and commission income	176	146	20%	153	15%	646	600	8%
Other operating income	59	51	17%	29	102%	173	278	-38%
Operating income	**780**	**680**	**15%**	**688**	**13%**	**2,839**	**2,730**	**4%**
Personnel expenses	158	146	9%	156	2%	618	600	3%
Other expenses	329	299	10%	268	23%	1,116	1,049	6%
Operating expenses	**487**	**444**	**10%**	**424**	**15%**	**1,734**	**1,649**	**5%**
Operating result	**293**	**235**	**25%**	**264**	**11%**	**1,105**	**1,081**	**2%**
Impairment charges on loans and other receivables	97	345	-72%	217	-55%	717	851	-16%
Operating profit before taxes	**196**	**- 109**		**47**		**388**	**230**	**69%**
Income tax expenses	52	- 6		6		91	83	9%
Underlying profit/(loss) for the period	**144**	**- 104**		**41**		**298**	**147**	**102%**
Special items							- 109	
Reported profit/(loss) for the period	**144**	**- 104**		**41**		**298**	**38**	

Corporate Banking's **underlying profit** increased by EUR 248 million to EUR 144 million in Q4 2014. The key driver for the improvement was a significant decline in loan impairments.

Commercial Clients, International Clients and Capital Markets Solutions each contributed positively to the underlying net profit of Corporate Banking. The contributions were EUR 55 million, EUR 74 million, and EUR 14 million respectively.

Net interest income improved by 13% year-on-year, or EUR 63 million, to EUR 545 million in Q4 2014. All sub-segments contributed to the increase.

Commercial Clients showed a rise in net interest income of EUR 29 million to EUR 345 million in Q4 2014. Margin improvements on both loans and deposits contributed to the increase. Lending volumes were down modestly, partly offsetting the positive margin development.

Net interest income in International Clients increased by EUR 14 million compared with Q4 2013 to EUR 170 million, benefiting from growth in the ECT Clients loan portfolio.

Capital Markets Solutions saw net interest income increase by EUR 19 million, of which EUR 5 million is attributable to Clearing.

Net fee and commission income increased by EUR 30 million compared with Q4 2013 to EUR 176 million. International Clients recorded higher commitment fees in ECT Clients and increased corporate finance fees. Capital Markets Solutions recorded higher fees primarily from Clearing (EUR 8 million) as Clearing benefits from the volatility in the financial markets as a result of geopolitical developments.

Other operating income was up by EUR 8 million to EUR 59 million in Q4 2014. Clearing recorded a gain of EUR 40 million resulting from the partial sale of its share in Holland Clearing House. The impact of CVA/DVA was EUR 12 million less negative compared with Q4 2013 (EUR 6 million negative in Q4 2014 versus EUR 18 million negative in Q4 2013). The FVA, adopted for the first time in Q3 2014, amounted to EUR 9 million negative in the fourth quarter of 2014.

Personnel expenses amounted to EUR 158 million, an increase of EUR 12 million compared with the same period last year. The increase was due to several smaller movements including, amongst others, additions to the restructuring provision related to the strategic review of Capital Markets Solutions in Q4 2014.

Other expenses increased by EUR 30 million compared with Q4 2013. The increase was mainly related to higher allocated IT project costs and higher external staff expenses.

Operating result was EUR 293 million in Q4 2014, an increase of EUR 58 million compared with the same quarter in 2013. The underlying cost/income ratio decreased to 62% in the fourth quarter of 2014, from 65% at Q4 2013.

Impairment charges on loans and other receivables amounted to EUR 97 million, a decrease of EUR 248 million compared with Q4 2013. Both Commercial Clients and International Clients recorded lower loan impairments, while loan impairments in Capital Markets Solutions remained negligible.

Loan impairments in Commercial Clients decreased by 61% or EUR 156 million. Loan impairments on small-sized clients (turnover of EUR 1 million to EUR 30 million) continued to decline and were substantially lower compared with the same period in 2013. Loan impairments on medium-sized and large clients (turnover of EUR 30 million to EUR 250 million) were significantly lower compared with the fourth quarter of 2013.

Loan impairments in International Clients fell by EUR 92 million year-on-year to a net release of EUR 3 million in Q4 2014. This decrease was due to releases on a limited number of files.

Other indicators

	Q4 2014	Q4 2013	Q3 2014	2014	2013
Underlying cost/income ratio	62%	65%	62%	61%	60%
Underlying cost of risk (in bps)[1]	46	171	104	86	105

	31 December 2014	30 September 2014	31 December 2013
Loan-to-Deposit ratio	143%	147%	147%
Loans and receivables - customers (in billions)[2]	85.0	82.5	78.9
Due to customers (in billions)[2]	54.7	52.5	51.7
Risk exposure amount (in billions)[3]	53.5	57.1	56.0
FTEs	4,995	5,015	5,022

1. Cost of risk consists of annualised impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.
2. Excluding Securities financing due to the new presentation of the balance sheet.
3. 2013 figures are reported under Basel II and the 2014 figures are reported using the Basel III (CRR/CRD IV) framework.

Loans and receivables - customers increased to EUR 85.0 billion at 31 December 2014 compared with EUR 82.5 billion at 30 September 2014. The increase was recorded in client loans due mainly to growth of the ECT Clients loan portfolio by EUR 3.2 billion (including a reclassification of EUR 2.2 billion from Financial assets held for trading) to EUR 22.2 billion. This was partly offset by a small decrease in the loan portfolio of Commercial Clients. The decrease in the loan portfolio of Commercial Clients was partly attributable to still low levels of credit applications from SME clients compared with pre-crisis levels. The increase in Capital Markets Solutions was primarily recorded in Clearing.

Due to customers came to EUR 54.7 billion at 31 December 2014, up EUR 3.2 billion from 30 September 2014. The increase was primarily recorded in deposits in Commercial Clients and, to a lesser extent, International Clients. Deposits in Capital Markets Solutions, primarily on accounts of Clearing clients, increased marginally.

Commercial Clients

Operating results

(in millions)	Q4 2014	Q4 2013	Change	Q3 2014	Change	2014	2013	Change
Net interest income	345	316	9%	316	9%	1,275	1,213	5%
Net fee and commission income	49	48	2%	50	-1%	196	188	5%
Other operating income	9	7	46%	9	2%	30	27	13%
Operating income	**404**	**371**	**9%**	**375**	**8%**	**1,502**	**1,428**	**5%**
Operating expenses	**229**	**203**	**13%**	**189**	**21%**	**788**	**773**	**2%**
Operating result	**175**	**168**	**4%**	**187**	**-6%**	**713**	**655**	**9%**
Impairment charges on loans and other receivables	99	255	-61%	167	-41%	605	770	-21%
Operating profit before taxes	**76**	**- 87**		**20**		**108**	**- 114**	
Income tax expenses	21	- 17		4		27	- 27	
Underlying profit/(loss) for the period	**55**	**- 70**		**15**		**82**	**- 87**	
Special items								
Reported profit/(loss) for the period	**55**	**- 70**		**15**		**82**	**- 87**	

Other indicators

	Q4 2014	Q4 2013	Q3 2014	2014	2013
Underlying cost/income ratio	57%	55%	50%	52%	54%
Underlying cost of risk (in bps)[1]	96	237	160	145	175

	31 December 2014	30 September 2014	31 December 2013
Loans and receivables - customers (in billions)[2]	38.1	39.2	40.0
Due to customers (in billions)[2]	31.7	30.2	30.6
Risk exposure amount (in billions)[3]	20.8	22.2	24.0

1. Cost of risk consists of annualised impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.
2. Excluding Securities financing due to the new presentation of the balance sheet.
3. 2013 figures are reported under Basel II and the 2014 figures are reported using the Basel III (CRR/CRD IV) framework.

International Clients

Operating results

(in millions)	Q4 2014	Q4 2013	Change	Q3 2014	Change	2014	2013	Change
Net interest income	170	156	9%	166	2%	648	584	11%
Net fee and commission income	59	41	44%	49	19%	217	182	19%
Other operating income	- 8	1		12		3	6	-50%
Operating income	**220**	**197**	**12%**	**227**	**-3%**	**868**	**771**	**13%**
Operating expenses	**118**	**112**	**5%**	**114**	**3%**	**456**	**421**	**8%**
Operating result	**103**	**85**	**21%**	**113**	**-9%**	**412**	**350**	**18%**
Impairment charges on loans and other receivables	- 3	89		51		113	82	38%
Operating profit before taxes	**105**	**- 3**		**62**	**70%**	**299**	**268**	**11%**
Income tax expenses	31	12		8		67	80	-15%
Underlying profit/(loss) for the period	**74**	**- 16**		**53**	**38%**	**232**	**189**	**23%**
Special items								
Reported profit/(loss) for the period	**74**	**- 16**		**53**		**232**	**189**	

Other indicators

	Q4 2014	Q4 2013	Q3 2014	2014	2013
Underlying cost/income ratio	53%	57%	50%	53%	55%
Underlying cost of risk (in bps)[1]	- 4	135	71	40	31

	31 December 2014	30 September 2014	31 December 2013
Loans and receivables - customers (in billions)[2]	32.2	29.3	26.4
Due to customers (in billions)[2]	16.7	16.2	16.1
Risk exposure amount (in billions)[3]	19.9	21.2	19.9

1. Cost of risk consists of annualised impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.
2. Excluding Securities financing due to the new presentation of the balance sheet.
3. 2013 figures are reported under Basel II and the 2014 figures are reported using the Basel III (CRR/CRD IV) framework.

Capital Markets Solutions

Operating results

(in millions)	Q4 2014	Q4 2013	Change	Q3 2014	Change	2014	2013	Change
Net interest income	30	11		23	30%	96	55	75%
Net fee and commission income	68	57	18%	54	25%	233	231	1%
Other operating income	58	43	35%	9		140	245	-43%
Operating income	**156**	**111**	**40%**	**86**	**82%**	**469**	**531**	**-12%**
Operating expenses	**140**	**129**	**9%**	**121**	**16%**	**489**	**455**	**7%**
Operating result	**16**	**- 18**		**- 36**		**- 20**	**76**	
Impairment charges on loans and other receivables	1	1	-20%	- 1		- 1		
Operating profit before taxes	**15**	**- 19**		**- 35**		**- 19**	**76**	
Income tax expenses	1			- 7		- 4	30	
Underlying profit/(loss) for the period	**14**	**- 19**		**- 28**		**- 15**	**46**	
Special items							- 109	
Reported profit/(loss) for the period	**14**	**- 19**		**- 28**		**- 15**	**- 63**	

Other indicators

	Q4 2014	Q4 2013	Q3 2014	2014	2013
Underlying cost/income ratio	90%	116%	141%	104%	86%
Underlying cost of risk (in bps)[1]	3	4	- 3	- 1	

	31 December 2014	30 September 2014	31 December 2013
Financial assets held for trading (in billions)[2]	8.9	10.2	11.3
Loans and receivables - customers (in billions)[3]	14.7	14.1	12.4
Financial liabilities held for trading (in billions)[2]	3.8	4.9	4.4
Due to customers (in billions)[3]	6.3	6.2	4.9
Risk exposure amount (in billions)[4]	12.8	13.7	12.2

1. Cost of risk consists of annualised impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.
2. Excluding Derivatives due to the new presentation of the balance sheet.
3. Excluding Securities financing due to the new presentation of the balance sheet.
4. 2013 figures are reported under Basel II and the 2014 figures are reported using the Basel III (CRR/CRD IV) framework.

Group Functions

Operating results

(in millions)	Q4 2014	Q4 2013	Change	Q3 2014	Change	2014	2013	Change
Net interest income	33	- 39		21	58%	28	- 115	
Net fee and commission income	- 10	- 10	4%	- 3		- 21	- 37	43%
Other operating income	17	- 17		5		75	59	26%
Operating income	**40**	**- 65**		**23**	**76%**	**82**	**- 93**	
Personnel expenses	182	182	-0%	197	-8%	758	762	-1%
Other expenses	- 148	- 70	-113%	- 181	18%	- 641	- 465	-38%
Operating expenses	**33**	**113**	**-70%**	**16**	**106%**	**117**	**297**	**-61%**
Operating result	**7**	**- 178**		**7**	**2%**	**- 35**	**- 390**	**91%**
Impairment charges on loans and other receivables	- 3			- 13	78%	- 28	- 4	
Operating profit before taxes	**10**	**- 178**		**20**	**-51%**	**- 7**	**- 386**	**98%**
Income tax expenses	6	- 47		- 3		- 21	- 87	75%
Underlying profit/(loss) for the period	**3**	**- 131**		**23**	**-86%**	**14**	**- 299**	
Special items				- 67		- 417	517	
Reported profit/(loss) for the period	**3**	**- 131**		**- 44**		**- 402**	**218**	

The underlying profit of Group Functions was EUR 3 million in the fourth quarter of 2014. This is an improvement of EUR 134 million compared with a EUR 131 million loss in Q4 2013.

Net interest income increased by EUR 72 million compared with the same period last year. The rise was largely attributable to improved ALM interest result, in part as a result of re-allocation of the liquidity buffer costs.

Other operating income increased by EUR 34 million. The increase was mainly the result of favourable movements in FX basis spreads for Swiss franc swaps, as well as, to a lesser extent, favourable revaluation of trading book loans and results on sales from the liquidity portfolio. This was partly offset by unfavourable results from hedge accounting.

Personnel expenses were EUR 182 million in the fourth quarter of 2014, flat compared with Q4 2013. Both Q4 2014 and Q4 2013 included additions to restructuring provisions of approximately the same magnitude.

Other expenses decreased by EUR 78 million compared with Q4 2013. The decline was driven by the allocation of a higher proportion of IT project costs to the business segments and a release related to the DSB deposit guarantee scheme (EUR 66 million in Q4 2014 versus EUR 31 million in Q4 2013). This was partly offset by EUR 84 million higher IT project costs in Q4 2014. The fourth quarter of 2013 included EUR 52 million of accelerated depreciations.

Other indicators

	31 December 2014	30 September 2014	31 December 2013
Securities financing - assets	14.5	31.8	15.3
Loans and receivables - customers (in billions)[1]	4.2	4.1	3.7
Securities financing - liabilities	12.6	26.9	11.1
Due to customers (in billions)[1]	2.5	3.6	3.1
Risk exposure amount (in billions)[2]	11.0	12.9	9.9
FTEs	7,362	7,305	7,321

1. Excluding Securities financing due to the new presentation of the balance sheet.
2. 2013 figures are reported under Basel II and the 2014 figures are reported using the Basel III (CRR/CRD IV) framework.

Loans and receivables - customers was almost stable at EUR 4.2 billion at 31 December 2014.

Due to customers decreased by EUR 1.1 billion to EUR 2.5 billion at 31 December 2014, due primarily to lower money market positions.

additional financial information 6

Overview of results in the last five quarters

The following table provides an overview of the quarterly results.

Quarterly results

(in millions)	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Net interest income	1,620	1,530	1,441	1,432	1,389
Net fee and commission income	431	419	420	421	413
Other operating income	95	61	56	129	47
Operating income	**2,145**	**2,009**	**1,917**	**1,983**	**1,849**
Personnel expenses	650	591	591	565	564
Other expenses	748	557	571	577	752
Operating expenses	**1,397**	**1,147**	**1,162**	**1,143**	**1,316**
Operating result	**748**	**862**	**755**	**840**	**533**
Impairment charges on loans and other receivables	181	287	342	361	555
Operating profit/(loss) before taxes	**567**	**575**	**413**	**479**	**- 22**
Income tax expenses	167	125	91	101	25
Underlying profit/(loss) for the period	**400**	**450**	**322**	**378**	**- 47**
Special items		- 67	- 283	- 67	
Reported profit/(loss) for the period	**400**	**383**	**39**	**311**	**- 47**

Difference between underlying and reported results

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

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

As per 1 January 2014, ABN AMRO has a higher materiality threshold to qualify as a special item. Under the new definition, only the Greek and Madoff releases would have qualified as a special item in 2013. However, to ensure consistency with earlier reports, special items for historical periods have not been adjusted based on this new materiality threshold.

Adjustments include past results from material divestments as well as the related transaction result. In the reported periods in this report, no material divestments have taken place.

The following table presents the reconciliation from underlying to reported results.

Reconciliation from underlying to reported results

(in millions)	Q4 2014 Underlying	Q4 2014 Special items	Q4 2014 Reported	Q4 2013 Underlying	Q4 2013 Special items	Q4 2013 Reported	Q3 2014 Underlying	Q3 2014 Special items	Q3 2014 Reported
Net interest income	1,620		1,620	1,389		1,389	1,530		1,530
Net fee and commission income	431		431	413		413	419		419
Other operating income	95		95	47		47	61		61
Operating income	**2,145**		**2,145**	**1,849**		**1,849**	**2,009**		**2,009**
Personnel expenses	650		650	564		564	591		591
Other expenses	748		748	752		752	557	67	624
Operating expenses	**1,397**		**1,397**	**1,316**		**1,316**	**1,147**	**67**	**1,214**
Operating result	**748**		**748**	**533**		**533**	**862**	**- 67**	**795**
Impairment charges on loans and other receivables	181		181	555		555	287		287
Operating profit/(loss) before taxes	**567**		**567**	**- 22**		**- 22**	**575**	**- 67**	**508**
Income tax expenses	167		167	25		25	125		125
Profit/(loss) for the period	**400**		**400**	**- 47**		**- 47**	**450**	**- 67**	**383**

(in millions)	2014 Underlying	2014 Special items	2014 Reported	2013 Underlying	2013 Special items	2013 Reported
Net interest income	6,023		6,023	5,380		5,380
Net fee and commission income	1,691		1,691	1,643		1,643
Other operating income	341		341	423	- 122	301
Operating income	**8,055**		**8,055**	**7,446**	**- 122**	**7,324**
Personnel expenses	2,396	288	2,684	2,320	37	2,357
Other expenses	2,453	201	2,654	2,413		2,413
Operating expenses	**4,849**	**489**	**5,338**	**4,733**	**37**	**4,770**
Operating result	**3,206**	**- 489**	**2,717**	**2,713**	**- 159**	**2,554**
Impairment charges on loans and other receivables	1,171		1,171	1,667	- 684	983
Operating profit/(loss) before taxes	**2,035**	**- 489**	**1,546**	**1,046**	**525**	**1,571**
Income tax expenses	484	- 72	412	294	117	411
Profit/(loss) for the period	**1,551**	**- 417**	**1,134**	**752**	**408**	**1,160**

Special items

(in millions)	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Operating income								
Reassessment discontinued securities financing activities								- 70
Costs of wind down non-client-related equity derivatives activities							- 52	
Total impact on Operating Income							**- 52**	**- 70**
Operating expenses								
Restructuring provision								37
Pension settlement charge			288					
SNS Levy		67	67	67				
Total impact on Operating expenses		**67**	**355**	**67**				**37**
Loan impairments								
Greek releases						- 135		- 297
Madoff releases							- 252	
Total impact on Loan impairments						**- 135**	**- 252**	**- 297**
Total impact on Income tax expenses			**- 72**			**34**	**18**	**65**
Total impact on result for the period		**- 67**	**- 283**	**- 67**		**101**	**182**	**125**

The SNS levy amounted to a total of EUR 201 million recorded in 2014, spread over the first three quarters of 2014.

Selected financial information

Condensed consolidated income statement

(in millions)	Q4 2014	Q4 2013	Q3 2014	2014	2013
Income					
Interest income[1]	3,361	2,939	3,315	13,376	13,383
Interest expense[1]	1,742	1,550	1,785	7,353	8,003
Net Interest income	**1,620**	**1,389**	**1,530**	**6,023**	**5,380**
Fee and commission income	712	670	663	2,693	2,639
Fee and commission expense	281	257	244	1,002	996
Net fee and commission income	**431**	**413**	**419**	**1,691**	**1,643**
Net trading income	31	31	33	174	106
Share of result in equity accounted investments	3	1	18	51	46
Other income	60	15	9	117	149
Operating income	**2,145**	**1,849**	**2,009**	**8,055**	**7,324**
Expenses					
Personnel expenses	650	564	591	2,684	2,357
General and administrative expenses	665	648	584	2,450	2,171
Depreciation and amortisation of tangible and intangible assets	82	104	40	204	242
Operating expenses	**1,397**	**1,316**	**1,214**	**5,338**	**4,770**
Impairment charges on loans and other receivables	181	555	287	1,171	983
Total expenses	**1,578**	**1,871**	**1,501**	**6,509**	**5,753**
Operating profit/(loss) before taxation	**567**	**- 22**	**508**	**1,546**	**1,571**
Income tax expenses	167	25	125	412	411
Profit/(loss) for the year	**400**	**- 47**	**383**	**1,134**	**1,160**
Attributable to:					
Owners of the company	400	- 46	383	1,134	1,162
Non-controlling interests		- 1			- 2

1. ABN AMRO applies fair value hedge accounting on individual hedged items (micro fair value hedging). As from 2014 these hedged items are based on gross amounts which gives a change in presentation in Interest income and Interest expense for Financial investments (available-for-sale), Issued debt and Subordinated liabilities. The 2013 en 2012 figures have been adjusted for comparison purposes. There is no impact on Net interest income.

Consolidated statement of comprehensive income

(in millions)	Q4 2014	Q4 2013	Q3 2014	2014	2013
Profit/(loss) for the period	**400**	**- 47**	**383**	**1,134**	**1,160**
Other comprehensive income:					
Items that will not be reclassified to the income statement					
Remeasurement gains / (losses) on defined benefit plans	8	- 318		- 179	- 291
Items that will not be reclassified to the income statement before taxation	**8**	**- 318**		**- 179**	**- 291**
Income tax relating to items that will not be reclassified to the income statement	3	- 79		- 44	- 73
Items that will not be reclassified to the income statement after taxation	**5**	**- 239**		**- 135**	**- 218**
Items that may be reclassified to the income statement					
Currency translation reserve	24	- 25	56	96	- 68
Available-for-sale reserve	102	- 9	89	360	45
Cash flow hedge reserve	- 65	371	145	326	541
Share of other comprehensive income of associates	10	3	- 1	17	4
Other changes	- 10	- 1	10	5	- 4
Other comprehensive income for the period before taxation	**60**	**339**	**299**	**804**	**518**
Income tax relating to components of other comprehensive income	7	90	60	168	146
Other comprehensive income for the period after taxation	**52**	**249**	**239**	**636**	**372**
Total comprehensive income/(expense) for the period after taxation	**458**	**- 37**	**622**	**1,635**	**1,314**
Total comprehensive income attributable to:					
Owners of the company	457	- 36	622	1,635	1,316
Non-controlling interests		- 1			- 2

Consolidated statement of financial position

(in millions)	31 December 2014	30 September 2014	31 December 2013
Assets			
Cash and balances at central banks	706	815	9,523
Financial assets held for trading	9,017	12,475	12,019
Derivatives	25,285	23,098	14,271
Financial investments	41,466	40,331	28,111
Securities financing	18,511	38,059	18,362
Loans and receivables - banks	21,680	17,875	23,967
Loans and receivables - customers	261,910	261,189	257,028
Equity accounted investments	1,136	1,164	1,082
Property and equipment	1,412	1,386	1,426
Goodwill and other intangible assets	255	282	195
Tax assets	504	639	910
Other assets	4,986	5,041	5,128
Total assets	**386,867**	**402,352**	**372,022**
Liabilities			
Financial liabilities held for trading	3,759	4,920	4,399
Derivatives	30,449	26,574	17,227
Securities financing	13,918	28,979	12,266
Due to banks	15,744	16,055	11,626
Due to customers	216,011	214,893	207,584
Issued debt	77,131	81,314	88,682
Subordinated liabilities	8,328	8,164	7,917
Provisions	1,003	904	1,550
Tax liabilities	175	116	90
Other liabilities	5,473	5,890	7,113
Total liabilities	**371,990**	**387,808**	**358,454**
Equity			
Share capital	940	940	940
Share premium	12,970	12,970	12,970
Other reserves (incl retained earnings/profit for the period)	1,769	1,497	4,554
Other components of equity	- 814	- 875	- 4,909
Equity attributable to the owners of the parent company	**14,865**	**14,532**	**13,555**
Equity attributable to non-controlling interests	12	12	13
Total equity	**14,877**	**14,544**	**13,568**
Total liabilities and equity	**386,867**	**402,352**	**372,022**

Condensed consolidated statement of changes in equity

(in millions)	Share capital	Share premium reserve	Other reserves including retained earnings	Other comprehen-sive income	Net profit/(loss) attributable to shareholders	Total	Non-controlling interests	Total equity
Balance at 1 Januari 2013	**1,015**	**13,105**	**2,658**	**- 5,067**	**1,153**	**12,864**	**19**	**12,883**
Total comprehensive income			- 4	158	1,162	1,316	- 2	1,314
Transfer			1,153		- 1,153			
Dividend			- 412			- 412		- 412
Increase/(decrease) of capital	- 75	- 135	- 3			- 213		- 213
Other changes in equity							- 4	- 4
Balance at 31 December 2013	**940**	**12,970**	**3,392**	**- 4,909**	**1,162**	**13,555**	**13**	**13,568**
Balance at 1 January 2014	**940**	**12,970**	**3,392**	**- 4,909**	**1,162**	**13,555**	**13**	**13,568**
Total comprehensive income			5	496	1,134	1,635		1,635
Transfer			1,162		- 1,162			
Dividend			- 325			- 325		- 325
Reclassification post-employment benefit plan[1]			- 3,599	3,599				
Other changes in equity								
Balance at 31 December 2014	**940**	**12,970**	**635**	**- 814**	**1,134**	**14,865**	**12**	**14,877**

Specification of other comprehensive income is as follows:

(in millions)	Remeasurement gains / (losses) on post-retirement benefit plans	Currency translation reserve	Available-for-sale reserve	Cash flow hedge reserve	Share of OCI of associates and joint ventures	Total
Balance at 1 January 2013	**- 3,284**	**5**	**24**	**- 1,873**	**61**	**- 5,067**
Net gains/(losses) arising during the period	- 291	- 68	88	416	4	149
Less: Net realised gains/(losses) included in income statement			43	- 125		- 82
Net gains/(losses) in equity	**- 291**	**- 68**	**45**	**541**	**4**	**231**
Related income tax	- 73	1	10	135		73
Balance at 31 December 2013	**- 3,502**	**- 64**	**59**	**- 1,467**	**65**	**- 4,909**
Reclassification post-employment benefit plan[1]	3,599					3,599
Net gains/(losses) arising during the period	- 179	96	357	274	17	566
Less: Net realised gains/(losses) included in income statement			- 2	- 52		- 54
Net gains/(losses) in equity	**- 179**	**96**	**360**	**326**	**17**	**620**
Related income tax	- 44	- 3	89	81		124
Balance at 31 December 2014	**- 38**	**36**	**329**	**- 1,223**	**82**	**- 814**

Risk & capital management

risk management 7

ABN AMRO is a full-service bank in the Netherlands, operating in selective markets and client segments. We focus on thoroughly understanding our clients' business needs. In 2014, we further optimised our sector-based risk approach, focusing on improved sector risk knowledge and awareness. This approach also allows us to better monitor and manage portfolio intake and sector concentration.

Driven by a modest recovery of the Dutch economy combined with strict monitoring and a balanced portfolio intake, loan impairments decreased significantly in the fourth quarter of 2014. Our prudent risk management approach was also confirmed by the outcome of the ECB Asset Quality Review (AQR). ABN AMRO comfortably passed this review, with a minor impact of 0.12% on CET1. This is not material, so we were therefore not required to make any restatements on our 2013 financials.

We have further investigated the findings as part of our standard processes. As a result, the Loss Emergence Period (LEP) applied to calculate the IBNI allowances increased from 4 to 6 months going forward. The financial impact amounted to EUR 40 million in the Retail Banking programme lending portfolios. In addition, we made minor adjustments to risk policies related to provisioning and to the definitions of performing and non-performing loans.

Key developments

Key figures

	31 December 2014	30 September 2014	31 December 2013
Total assets	386,867	402,352	372,022
Of which Loans and receivables - banks[1]	21,680	17,875	23,967
Of which Loans and receivables - customers[1]	261,910	261,189	257,028
On-balance sheet maximum exposure to credit risk	375,007	391,456	358,480
Total Exposure at Default[2]	350,762	351,860	349,235
Risk exposure amount[2]			
Credit risk[3]	87,667	93,448	86,201
Market risk	5,811	6,050	6,396
Operational risk	16,168	16,168	16,415
Total risk exposure amount	**109,647**	**115,667**	**109,012**
Total risk exposure amount/total Exposure at Default	31.3%	32.9%	31.2%
	2014	Nine months 2014	2013
Cost of risk (in bps) - reported[4]	45	51	37
Cost of risk (in bps) - underlying[4]	45	51	63

1. Excluding Securities financing due to the new presentation of the balance sheet.
2. 2013 figures are reported under Basel II and the 2014 figures are reported using the Basel III (CRR/CRD IV) framework. Under Basel III 2013 pro-forma figures are: EAD (353,856); total REA (115,442); credit risk REA (92,631). No REA impact from CRR/CRD IV on market and operational risk.
3. REA for credit value adjustment (CVA) is included in credit risk. CVA per 31 December 2014 amounted to EUR 1.3 billion (30 September 2014 EUR 1.7 billion and 31 December 2013 EUR 1.5 billion).
4. Cost of risk consists of annualised impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

Fourth-quarter developments

Key figures per business line

	Retail Banking	Private Banking	Corporate Banking	Group Functions
31 December 2014				
Total assets	157,614	22,935	133,579	72,739
On-balance sheet maximum exposure to credit risk	157,047	19,597	127,187	71,176
Total Exposure at Default[1]	175,460	21,137	103,619	50,546
Risk exposure amount[1]				
Credit risk[2]	31,291	6,754	43,939	5,683
Market risk			5,811	
Operational risk	5,550	1,558	3,712	5,348
Total risk exposure amount	**36,841**	**8,312**	**53,462**	**11,031**
Total risk exposure amount/Total Exposure at Default[1]	21.0%	39.3%	51.6%	21.8%
2014				
Cost of risk (in bps) - reported[3]	29	14	86	
Cost of risk (in bps) - underlying[3]	29	14	86	
30 September 2014				
Total assets	159,338	22,586	134,220	86,208
On-balance sheet maximum exposure to credit risk	158,915	19,254	129,059	84,228
Total Exposure at Default[1]	175,775	21,125	104,214	50,746
Risk exposure amount[1]				
Credit risk[2]	31,921	6,653	47,349	7,524
Market risk			6,050	
Operational risk	5,550	1,558	3,712	5,348
Total risk exposure amount	**37,471**	**8,212**	**57,112**	**12,872**
Total risk exposure amount/Total Exposure at Default[1]	21.3%	38.9%	54.8%	25.4%
Nine months 2014				
Cost of risk (in bps) - reported[3]	23	21	72	
Cost of risk (in bps) - underlying[3]	23	21	72	
31 December 2013				
Total assets	160,630	20,617	117,809	72,966
On-balance sheet maximum exposure to credit risk	160,139	17,736	109,870	70,735
Total Exposure at Default[1]	175,844	21,198	95,145	57,048
Risk exposure amount[1]				
Credit risk[2]	28,772	7,247	45,610	4,572
Market risk			6,396	
Operational risk	5,512	1,555	4,025	5,323
Total risk exposure amount	**34,284**	**8,802**	**56,031**	**9,895**
Total risk exposure amount/Total Exposure at Default[1]	19.5%	41.5%	58.9%	17.3%
2013				
Cost of risk (in bps) - reported[3]	42	89	105	
Cost of risk (in bps) - underlying[3]	42	89	105	

1. 2013 figures are reported under Basel II and the 2014 figures are reported using the Basel III (CRR/CRD IV) framework.
2. REA for credit value adjustment (CVA) is included in credit risk. CVA per 31 December 2014 amounted to EUR 1.3 billion (30 September 2014 EUR 1.7 billion and 31 December 2013 EUR 1.5 billion).
3. Cost of risk consists of annualised impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

Growth of the Dutch economy was more broadly based in 2014. During the recession, exports were the sole driver, but in 2013 investment activity started to contribute to growth, followed by private consumption in the course of 2014. Domestic spending played a more important role, particularly due to accelerating private consumption.

The total loans and receivables portfolio for banks and customers increased to EUR 283.6 billion at 31 December 2014 from EUR 279.1 billion at 30 September 2014. This increase was mainly the result of a rise in mandatory reserve deposits with central banks of EUR 2.9 billion and an increase of EUR 1.3 billion due to more pledged cash collateral related to derivatives, offset by a decrease in client lending, of which residential mortgages declined by EUR 1.2 billion. Furthermore, in the commercial loan portfolio, ECT Clients grew in the fourth quarter, partly offset by a decrease in other commercial loan portfolios.

Comparing impairments in the fourth quarter of 2014 with the fourth quarter of 2013, the underlying on-balance sheet impairment charges on loans and receivables decreased by EUR 374 million to EUR 181 million. The main contributor to the decline in loan impairments was the commercial loan portfolio and, to a lesser extent, the mortgage portfolio. The decline in impairments was reflected in the cost of risk.

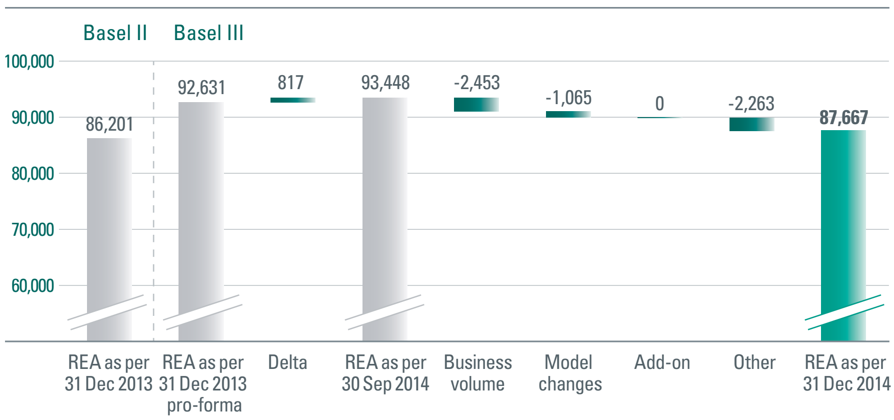
The risk exposure amount (REA), formerly reported as risk-weighted assets (RWA), decreased by EUR 6.0 billion at 31 December 2014 compared with 30 September 2014. This decline was primarily in credit risk REA, which largely consists of decreases in business volume totalling EUR 2.5 billion (Corporate Banking EUR 2.1 billion and Group Functions EUR 0.4 billion). Additionally, oil and gas-related exposures moved from the Standardised Approach to an advanced approach treatment, resulting in a decline in REA of EUR 1.2 billion. Total decline due to model changes was EUR 1.1 billion.

The Exposure at Default decreased by EUR 1.1 billion to EUR 350.8 billion at 31 December 2014, down from EUR 351.9 billion at 30 September 2014, mainly as a result of a decline in business volume of EUR 3.3 billion. This movement was driven by declines in Capital Markets Solutions (EUR 1.9 billion), Commercial Clients (EUR 1.3 billion) and Retail Banking (EUR 0.2 billion), partly offset by an increase in business volume within International Clients, related to ECT Clients.

Credit risk

REA flow statement credit risk

(in millions)



Credit risk mitigation

Collateral & guarantees received as security

31 December 2014

(in millions)	Carrying amount	Master netting agree-ment[5]	Financial instru-ments	Property & equipment	Other collateral and guarantees	Total risk mitigation	Surplus collateral[6]	Net exposure[7]
		Collateral received						
Loans and receivables - banks[1]	**21,680**	**9,850**				**9,850**		**11,830**
Loans and receivables - customers								
Residential mortgages[2]	151,998	25	98	205,730	5,072	210,925	71,635	12,708
Consumer loans	15,398	139	4,361	5,260	48	9,807	1,422	7,013
Commercial loans[2, 3]	82,860	3,121	26,146	30,749	8,434	68,450	18,083	32,494
Other loans and receivables - customers[4]	11,654	1,585	4,008	2,866	2,488	10,946	2,287	2,994
Total Loans and receivables - customers[1]	**261,910**	**4,870**	**34,613**	**244,605**	**16,041**	**300,129**	**93,427**	**55,208**
Total Loans and receivables[1]	**283,590**	**14,720**	**34,613**	**244,605**	**16,041**	**309,979**	**93,427**	**67,038**
Securities financing	**18,511**	**59**	**19,831**			**19,890**	**1,829**	**449**
Total on balance sheet	**386,867**	**34,258**	**54,446**	**244,605**	**16,229**	**349,538**	**95,256**	**132,585**

1. Excluding Securities financing due to the new presentation of the balance sheet.
2. Carrying amount includes fair value adjustments from hedge accounting and loan impairment allowances.
3. As of the fourth quarter of 2014, a refined methodology for reporting of surplus collateral has been applied for ABN AMRO Clearing. This refinement has no impact on the net exposure amount.The historical information is adjusted for comparability purposes.
4. Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.
5. Master netting agreement includes legal netting rights and cash collateral.
6. Surplus collateral is the amount of over-collateralisation, calculated on an individual basis.
7. Net exposure represents the portfolio corrected for the surplus amount and gives a view on the potential shortfall in collateral on the total portfolio.

30 September 2014

(in millions)	Carrying amount	Master netting agree-ment[5]	Financial instru-ments	Property & equipment	Other collateral and guarantees	Total risk mitigation	Surplus collateral[6]	Net exposure[7]
		Collateral received						
Loans and receivables - banks[1]	**17,865**	**8,544**				**8,544**		**9,321**
Loans and receivables - customers								
Residential mortgages[2]	153,034		95	204,883	5,327	210,305	70,858	13,587
Consumer loans	15,507		4,008	5,455	78	9,541	901	6,867
Commercial loans[2, 3]	82,533	1,995	21,627	29,909	5,466	58,997	10,661	34,197
Other loans and receivables - customers[4]	10,115	1,126	4,291	2,353	130	7,900	1,781	3,996
Total Loans and receivables - customers[1]	**261,189**	**3,121**	**30,021**	**242,599**	**11,001**	**286,742**	**84,200**	**58,647**
Total Loans and receivables[1]	**279,054**	**11,665**	**30,021**	**242,599**	**11,001**	**295,286**	**84,200**	**67,968**
Securities financing	**38,069**	**1,968**	**41,684**			**43,652**	**7,195**	**1,612**
Total on balance sheet	**402,352**	**30,516**	**71,706**	**242,599**	**11,070**	**355,892**	**91,395**	**137,856**

1. Excluding Securities financing due to the new presentation of the balance sheet.
2. Carrying amount includes fair value adjustments from hedge accounting and loan impairment allowances.
3. As of the fourth quarter of 2014, a refined methodology for reporting of surplus collateral has been applied for ABN AMRO Clearing. This refinement has no impact on the net exposure amount.The historical information is adjusted for comparability purposes.
4. Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.
5. Master netting agreement includes legal netting rights and cash collateral.
6. Surplus collateral is the amount of over-collateralisation, calculated on an individual basis.
7. Net exposure represents the portfolio corrected for the surplus amount and gives a view on the potential shortfall in collateral on the total portfolio.

Collateral & guarantees received as security

31 December 2013

(in millions)	Carrying amount	Collateral received: Master netting agreement[5]	Financial instruments	Property & equipment	Other collateral and guarantees	Total risk mitigation	Surplus collateral[6]	Net exposure[7]
Loans and receivables - banks[1]	**23,967**	**6,732**				**6,732**	**126**	**17,361**
Loans and receivables - customers								
Residential mortgages[2]	153,439		212	208,018	5,410	213,640	73,178	12,977
Consumer loans	15,628		1,889	5,989	77	7,955	235	7,908
Commercial loans[2, 3]	80,659	1,574	20,008	28,921	9,086	59,589	10,900	31,970
Other loans and receivables - customers[4]	7,302	360	3,440	2,714	159	6,673	2,028	2,657
Total Loans and receivables - customers[1]	**257,028**	**1,934**	**25,549**	**245,642**	**14,732**	**287,857**	**86,341**	**55,512**
Total Loans and receivables[1]	**280,995**	**8,666**	**25,549**	**245,642**	**14,732**	**294,589**	**86,467**	**72,873**
Securities financing	**18,362**	**593**	**20,806**			**21,399**	**3,712**	**675**
Total on balance sheet	**372,022**	**18,288**	**46,357**	**245,642**	**14,765**	**325,052**	**90,179**	**137,149**

1. Excluding Securities financing due to the new presentation of the balance sheet.
2. Carrying amount includes fair value adjustments from hedge accounting and loan impairment allowances.
3. As of the fourth quarter of 2014, a refined methodology for reporting of surplus collateral has been applied for ABN AMRO Clearing. This refinement has no impact on the net exposure amount.The historical information is adjusted for comparability purposes.
4. Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.
5. Master netting agreement includes legal netting rights and cash collateral.
6. Surplus collateral is the amount of over-collateralisation, calculated on an individual basis.
7. Net exposure represents the portfolio corrected for the surplus amount and gives a view on the potential shortfall in collateral on the total portfolio.

The carrying amount of Residential mortgages declined by EUR 1.0 billion in Q4 2014 to EUR 152.0 billion compared with Q3 2014. While, the total risk mitigation remained stable, the net exposure declined by EUR 0.9 billion to EUR 12.7 billion at 31 December 2014.

In Commercial loans, the carrying amount remained fairly stable. Total risk mitigation within Commercial loans increased with EUR 9.5 billion to EUR 68.5 billion at year-end 2014. The increase of total risk mitigation is mainly the result of the increase of surplus collateral. The net exposure declined by EUR 1.7 billion to EUR 32.5 billion at 31 December 2014 in comparison with 30 September 2014.

The net exposure of Consumer loans and Other loans and receivables - customers at 31 December 2014 was similar to 30 September 2014, although some small movements were noted in all types of risk mitigation.

The carrying amount of Residential mortgages declined with EUR 1.4 billion to EUR 152.0 billion at 31 December 2014 compared with year-end 2013 while net exposure declined with EUR 0.3 billion to EUR 12.7 billion.

In Commercial loans, the carrying amount increased by EUR 2.2 billion. Total risk mitigation within Commercial loans increased with EUR 7.2 billion to EUR 68.5 billion at year-end 2014. The increase of total risk mitigation is mainly the result of the increase of surplus collateral. The net exposure increased by EUR 0.5 billion to EUR 32.5 billion in comparison with 31 December 2013.

Management of forborne, past due and impaired loans

Forborne loans

Overview forbearance

31 December 2014

(in millions)	Gross carrying amount	Performing assets: Temporary modification	Performing assets: Permanent modification	Performing assets: Refinancing	Performing assets: Total	Non-performing assets: Temporary modification	Non-performing assets: Permanent modification	Non-performing assets: Refinancing	Non-performing assets: Total	Total: Total forborne assets	Total: Forbearance ratio
Loans and receivables - banks[1]	**21,680**										**0.0%**
Loans and receivables - customers											
Residential mortgages[2]	152,536	1,027	28	122	1,177	606	3	29	638	1,814	1.2%
Consumer loans	16,052	92	68	126	286	99	32	52	184	470	2.9%
Commercial loans[2]	86,299	1,215	872	1,823	3,910	729	878	1,181	2,788	6,698	7.8%
Other loans and receivables - customers[3]	11,783	23			24	64	4		68	92	0.8%
Total Loans and receivables - customers[1]	**266,670**	**2,358**	**968**	**2,071**	**5,397**	**1,498**	**917**	**1,262**	**3,677**	**9,074**	**3.4%**
Total Loans and receivables[1]	**288,351**	**2,358**	**968**	**2,071**	**5,397**	**1,498**	**917**	**1,262**	**3,677**	**9,074**	**3.1%**

1. Excluding Securities financing due to the new presentation of the balance sheet.
2. Gross carrying amount includes fair value adjustments from hedge accounting.
3. Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.

30 June 2014

(in millions)	Gross carrying amount	Performing assets: Temporary modification	Performing assets: Permanent modification	Performing assets: Refinancing	Performing assets: Total	Non-performing assets: Temporary modification	Non-performing assets: Permanent modification	Non-performing assets: Refinancing	Non-performing assets: Total	Total: Total forborne assets	Total: Forbearance ratio
Loans and receivables - banks[1]	**15,120**										**0.0%**
Loans and receivables - customers											
Residential mortgages[2]	153,914	924	7	111	1,042	801		29	830	1,872	1.2%
Consumer loans	15,985	75	61	92	228	85	5	86	176	404	2.5%
Commercial loans[2]	83,310	1,188	911	2,326	4,425	464	645	1,016	2,124	6,550	7.9%
Other loans and receivables - customers[3]	9,760	13	63	70	147	28	34	52	113	260	2.7%
Total Loans and receivables - customers[1]	**262,969**	**2,200**	**1,043**	**2,599**	**5,842**	**1,378**	**684**	**1,182**	**3,244**	**9,086**	**3.5%**
Total Loans and receivables[1]	**278,089**	**2,200**	**1,043**	**2,599**	**5,842**	**1,378**	**684**	**1,182**	**3,244**	**9,086**	**3.3%**

1. Excluding Securities financing due to the new presentation of the balance sheet.
2. Gross carrying amount includes fair value adjustments from hedge accounting.
3. Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.

Overview forbearance

											31 December 2013
		Performing assets				Non-performing assets				Total	
(in millions)	Gross carrying amount	Temporary modification	Permanent modification	Refinancing	Total	Temporary modification	Permanent modification	Refinancing	Total	Total forborne assets	Forbearance ratio
Loans and receivables - banks[1]	**23,967**										**0.0%**
Loans and receivables - customers											
Residential mortgages[2]	154,024	961	8	15	984	1,373	4	60	1,437	2,421	1.6%
Consumer loans	16,241	45	61	107	213	60	7	57	124	337	2.1%
Commercial loans[2]	84,330	789	710	2,542	4,041	356	673	1,203	2,232	6,273	7.4%
Other loans and receivables - customers[3]	7,408	40	36	15	91			69	69	160	2.2%
Total Loans and receivables - customers[1]	**262,003**	**1,835**	**815**	**2,679**	**5,329**	**1,789**	**684**	**1,389**	**3,862**	**9,191**	**3.5%**
Total Loans and receivables[1]	**285,970**	**1,835**	**815**	**2,679**	**5,329**	**1,789**	**684**	**1,389**	**3,862**	**9,191**	**3.2%**

1. Excluding Securities financing due to the new presentation of the balance sheet.
2. Gross carrying amount includes fair value adjustments from hedge accounting.
3. Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.

Second half-year 2014 developments

The total forborne portfolio remained stable in the second half of 2014. The inflow of new forborne clients was offset by the outflow of forborne clients, due to debt repayment and assignment of a recovery status, as well as a reduction in the gross carrying amount of the existing forborne contracts. Forborne exposures mainly relate to Residential mortgages and Commercial loans.

The total forborne exposure within Residential mortgages decreased slightly in the second half of 2014 from EUR 1.9 billion to EUR 1.8 billion, which is 1.2% of the total Residential mortgages portfolio and comprises 20% of the total forbearance exposure. The total forborne exposure for Residential mortgages at 31 December 2014 mainly relates to temporarily adjusted payment arrangements within the performing portfolio.

New forborne exposure is mostly performing. The reduction in the non-performing forborne exposure is mainly the result of the assignment of a recovery status to forborne clients, as clients in recovery are out of scope for forbearance reporting.

Commercial loans comprised 74% of the total forborne exposure at 31 December 2014. The total forborne exposure for Commercial loans increased slightly from EUR 6.6 billion at 30 June 2014 to EUR 6.7 billion at 31 December 2014, due to inflow of new forborne clients.

The decrease in Other loans and receivables - customers is explained by debt repayments and transfers of forborne clients to the recovery department.

ABN AMRO did not report forbearance figures in the third quarter of 2014.

Year-to-date 2014 developments

For the year-end 2013 figures, assumptions have been applied to the Residential mortgages portfolio. In the first half of 2014, these assumptions were further refined. If we had applied these refined assumptions to the year-end 2013 figure, the forbearance exposure would have been EUR 512 million less.

The total forbearance exposure within Residential mortgages decreased by EUR 0.6 billion to EUR 1.8 billion at 31 December 2014 compared with EUR 2.4 billion year-end 2013. Taking into account the refined assumptions for the year-end 2013 figures, the forbearance exposure would have decreased marginally.

The total forbearance exposure for Commercial loans increased by EUR 0.4 billion to EUR 6.7 billion at 31 December 2014, compared with EUR 6.3 billion at year-end 2013, due to the inflow of new forborne clients. The rise of non-performing exposure was due to more performing forborne clients that were assigned the default status. The vast majority of forbearance measures were taken by the Financial Restructuring & Recovery (FR&R) department, as they manage most clients in, or potentially in, financial difficulties (both performing and non-performing).

Past due loans

Financial assets past due but not impaired

								31 December 2014
	Carrying amount		Days past due					
(in millions)	Gross	Assets not classified as impaired	< 30	> 30 days & < 60	> 60 days & < 90	> 90	Total past due but not impaired	Past due ratio
Loans and receivables - banks[1]	**21,680**	**21,680**						**0.0%**
Loans and receivables - customers								
Residential mortgages[2]	152,536	151,058	3,057	463	118		3,639	2.4%
Consumer loans	16,052	15,184	335	135	38	125	633	3.9%
Commercial loans[2]	86,299	81,310	924	182	51	590	1,747	2.0%
Other loans and receivables - customers[3]	11,783	11,518	72	8	3	12	94	0.8%
Total Loans and receivables - customers[1]	**266,670**	**259,070**	**4,388**	**788**	**210**	**727**	**6,114**	**2.3%**
Total Loans and receivables[1]	**288,351**	**280,750**	**4,388**	**788**	**210**	**727**	**6,114**	**2.1%**
Securities financing	**18,521**	**18,511**						**0.0%**
Total on-balance sheet financial assets	**308,804**	**301,181**	**4,590**	**807**	**218**	**750**	**6,366**	**2.1%**

1. Excluding Securities financing due to the new presentation of the balance sheet.
2. Gross carrying amount includes fair value adjustments from hedge accounting.
3. Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.

Financial assets past due but not impaired

30 September 2014

	Carrying amount		Days past due					
(in millions)	Gross	Assets not classified as impaired	< 30	> 30 days & < 60	> 60 days & < 90	> 90	Total past due but not impaired	Past due ratio
Loans and receivables - banks[1]	**17,875**	**17,875**						**0.0%**
Loans and receivables - customers								
Residential mortgages[2]	153,633	152,008	3,254	493	125		3,872	2.5%
Consumer loans	16,151	15,236	376	106	50	132	665	4.1%
Commercial loans[2]	86,223	80,999	870	81	124	653	1,728	2.0%
Other loans and receivables - customers[3]	10,247	10,001	73	4	2	14	94	0.9%
Total Loans and receivables - customers[1]	**266,254**	**258,243**	**4,573**	**684**	**302**	**799**	**6,359**	**2.4%**
Total Loans and receivables[1]	**284,128**	**276,118**	**4,573**	**684**	**302**	**799**	**6,359**	**2.2%**
Securities financing	**38,069**	**38,060**						**0.0%**
Total on-balance sheet financial assets	**324,055**	**316,020**	**4,626**	**693**	**318**	**819**	**6,456**	**2.0%**

1. Excluding Securities financing due to the new presentation of the balance sheet.
2. Gross carrying amount includes fair value adjustments from hedge accounting.
3. Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.

31 December 2013

	Carrying amount		Days past due					
(in millions)	Gross	Assets not classified as impaired	< 30	> 30 days & < 60	> 60 days & < 90	> 90	Total past due but not impaired	Past due ratio
Loans and receivables - banks[1]	**23,967**	**23,967**						**0.0%**
Loans and receivables - customers								
Residential mortgages[2]	154,024	152,285	3,444	519	145		4,108	2.7%
Consumer loans	16,241	15,354	461	115	78	231	885	5.4%
Commercial loans[2]	84,330	79,292	1,426	219	140	565	2,350	2.8%
Other loans and receivables - customers[3]	7,408	7,271	31	2	1	2	36	0.5%
Total Loans and receivables - customers[1]	**262,003**	**254,202**	**5,362**	**855**	**364**	**798**	**7,379**	**2.8%**
Total Loans and receivables[1]	**285,970**	**278,169**	**5,362**	**855**	**364**	**798**	**7,379**	**2.6%**
Securities financing	**18,386**	**18,363**						**0.0%**
Total on-balance sheet financial assets	**306,543**	**298,706**	**5,410**	**880**	**371**	**807**	**7,468**	**2.4%**

1. Excluding Securities financing due to the new presentation of the balance sheet.
2. Gross carrying amount includes fair value adjustments from hedge accounting.
3. Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.

The total past due exposure on loans and receivables at 31 December 2014 decreased to EUR 6.1 billion from EUR 6.4 billion at 30 September 2014. This decline was mainly due to a decrease in the bucket <30 days past due in Residential mortgages.

The past due exposure on Residential mortgages declined to EUR 3.6 billion at 31 December 2014 compared with EUR 3.9 billion at 30 September 2014. This decline was the result of a combination of active management of the portfolio in arrears, coaching clients that run a higher risk of getting into arrears and improved economic conditions.

The total past due exposure on Commercial loans remained fairly stable, where the bucket >60 days is trending down as a result of stricter monitoring of our clients.

Comparing year-end 2014 with year-end 2013, the total past due decreased significantly to EUR 6.1 billion from EUR 7.4 billion in the total loans and receivables portfolio. This decrease was mainly due to a decline in the <30 day past due bucket for Commercial loans and Residential mortgages. Furthermore, stricter monitoring of Commercial loans and Consumer loans is reflected in a decline in the >30 day past due buckets.

Impaired loans

Coverage and impaired ratio

					31 December 2014
(in millions)	Gross carrying amount	Impaired exposures	Allowances for Impairments for identified credit risk	Coverage ratio	Impaired ratio
Loans and receivables - banks[1]	**21,680**			**0.0%**	**0.0%**
Loans and receivables - customers					
Residential mortgages[2]	152,536	1,478	- 408	27.6%	1.0%
Consumer loans	16,052	868	- 533	61.4%	5.4%
Commercial loans[2]	86,299	4,989	- 3,017	60.5%	5.8%
Other loans and receivables - customers[3]	11,783	265	- 115	43.2%	2.3%
Total Loans and receivables - customers[1]	**266,670**	**7,601**	**- 4,073**	**53.6%**	**2.9%**
Total Loans and receivables[1, 4]	**288,351**	**7,601**	**- 4,073**	**53.6%**	**2.6%**
Securities financing	**18,521**	**10**	**- 10**	**100.0%**	**0.1%**
Total on- and off-balance sheet	**418,815**	**7,632**	**- 4,089**	**53.6%**	**1.8%**

1. Excluding Securities financing due to the new presentation of the balance sheet.
2. Gross carrying amount includes fair value adjustments from hedge accounting.
3. Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.
4. Amounts excluding Incurred But Not Identified (IBNI).

Coverage and impaired ratio

(in millions)	Gross carrying amount	Impaired exposures	Allowances for Impairments for identified credit risk	Coverage ratio	Impaired ratio
					30 September 2014
Loans and receivables - banks[1]	**17,875**			**0.0%**	**0.0%**
Loans and receivables - customers					
Residential mortgages[2]	153,633	1,625	- 465	28.6%	1.1%
Consumer loans	16,151	915	- 526	57.5%	5.7%
Commercial loans[2]	86,223	5,224	- 3,208	61.4%	6.1%
Other loans and receivables - customers[3]	10,247	246	- 114		2.4%
Total Loans and receivables - customers[1]	**266,254**	**8,010**	**- 4,313**	**53.8%**	**3.0%**
Total Loans and receivables[1, 4]	**284,128**	**8,010**	**- 4,313**	**53.8%**	**2.8%**
Securities financing	**38,069**	**9**	**- 9**	**100.0%**	**0.0%**
Total on- and off-balance sheet	**413,350**	**8,055**	**- 4,328**	**53.7%**	**1.8%**

1. Excluding Securities financing due to the new presentation of the balance sheet.
2. Gross carrying amount includes fair value adjustments from hedge accounting.
3. Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.
4. Amounts excluding Incurred But Not Identified (IBNI).

(in millions)	Gross carrying amount	Impaired exposures	Allowances for Impairments for identified credit risk	Coverage ratio	Impaired ratio
					31 December 2013
Loans and receivables - banks[1]	**23,967**			**0.0%**	**0.0%**
Loans and receivables - customers					
Residential mortgages[2]	154,024	1,739	- 472	27.1%	1.1%
Consumer loans	16,241	887	- 512	57.7%	5.5%
Commercial loans[2]	84,330	5,038	- 3,237	64.3%	6.0%
Other loans and receivables - customers[3]	7,408	137	- 86	62.8%	1.8%
Total Loans and receivables - customers[1]	**262,003**	**7,801**	**- 4,307**	**55.2%**	**3.0%**
Total Loans and receivables[1, 4]	**285,970**	**7,801**	**- 4,307**	**55.2%**	**2.7%**
Securities financing	**18,386**	**23**	**- 23**	**100.0%**	**0.1%**
Total on- and off-balance sheet	**408,068**	**7,845**	**- 4,335**	**55.3%**	**1.9%**

1. Excluding Securities financing due to the new presentation of the balance sheet.
2. Gross carrying amount includes fair value adjustments from hedge accounting.
3. Other loans and receivables - customers consists of Government and official institutions, Financial lease receivables and Factoring.
4. Amounts excluding Incurred But Not Identified (IBNI).

The coverage ratio at 31 December 2014 remained virtually stable at 53.6% compared with 30 September 2014. The impaired exposures declined to EUR 7.6 billion from EUR 8.0 billion for the total loans and receivables portfolio.

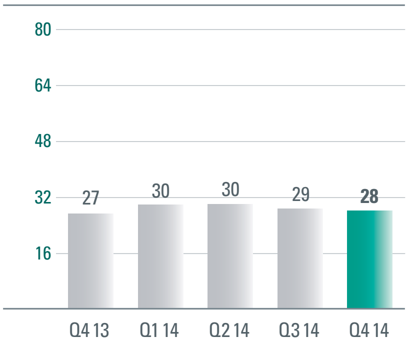
For the Residential mortgage portfolio, the coverage ratio decreased slightly to 27.6% at 31 December 2014 compared with 28.6% at 30 September 2014. This decline was mainly the result of a relatively sharper decrease in allowances for impairments compared with the impaired exposure. The decrease in impaired exposures was driven by both higher write-offs of older impaired files and transfers of clients from impaired to regular.

The coverage ratio of the Consumer loans portfolio increased to 61.4% at 31 December 2014, compared with 57.5% at 30 September 2014. The rise in the fourth quarter of 2014 was mainly the result of lower impaired exposures combined with stable allowances for impairments.

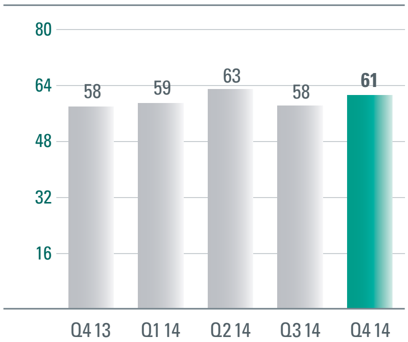
The coverage ratio of the Commercial loans portfolio decreased slightly to 60.5% in the fourth quarter of 2014, as allowances for impairments showed a relatively sharper decrease than impaired exposures. The decline in impaired exposures relates to less inflow in the impaired portfolio as a consequence of gradually improved economic conditions. Furthermore, higher write-offs also resulted in a decline in the impaired portfolio.

The impaired ratio for total loans and receivables decreased slightly to 2.6% at 31 December 2014, compared with 2.8% at 30 September 2014. Improvements in the impaired ratio were recorded in all sub-portfolios.

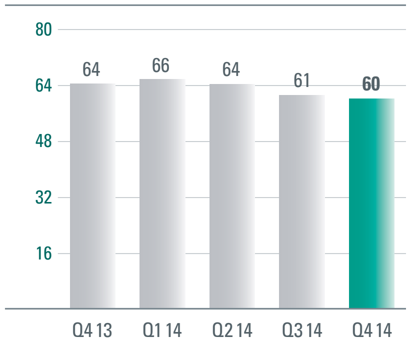
Coverage ratio - residential mortgages
(in %)



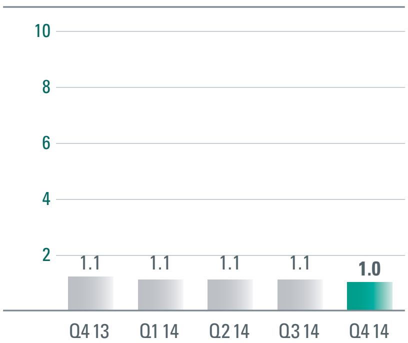
Coverage ratio - consumer loans
(in %)



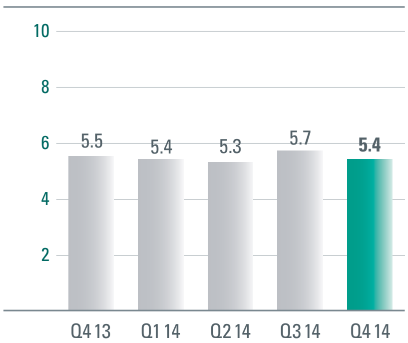
Coverage ratio - commercial loans
(in %)



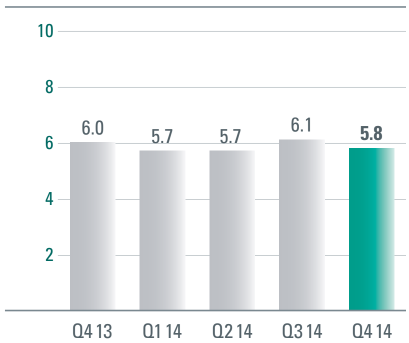
Impaired ratio - residential mortgages
(in %)



Impaired ratio - consumer loans
(in %)



Impaired ratio - commercial loans
(in %)



Loan impairment charges and allowances

(in millions)	Q4 2014 Securities financing	Commercial loans[1]	Residential mortgages	Consumer loans	Total	Q4 2013 Securities financing	Commercial loans[1]	Residential mortgages	Consumer loans	Total
Balance as at begin of period	**10**	**3,822**	**599**	**644**	**5,074**	24	3,523	515	563	4,625
Impairment charges for the period		389	88	111	587		676	158	193	1,027
Reversal of impairment allowances no longer required		- 294	- 62	- 31	- 387		- 285	- 67	- 108	- 460
Recoveries of amounts previously written-off		- 7	- 5	- 7	- 19		- 1	- 1	- 10	- 12
Total impairment charges on loans and other receivables		**88**	**20**	**73**	**181**		390	90	75	555
Amount recorded in interest income from unwinding of discounting		- 13	- 15	- 3	- 31		- 9	- 11	- 3	- 23
Currency translation differences	1	7			8		- 16		1	- 15
Amounts written-off (net)		- 362	- 57	- 57	- 476		- 161	- 34	- 56	- 251
Reserve for unearned interest accrued on impaired loans		8	12	- 6	14		49	31	30	110
Other adjustments		19	- 21	4	1		2	- 6	2	- 2
Balance as at end of period	**11**	**3,568**	**538**	**654**	**4,771**	24	3,778	585	612	4,999
Reconciliation from reported to underlying impairment charges										
Total reported on-balance sheet impairment charges on loans and other receivables		**88**	**20**	**73**	**181**		390	90	75	555
Greek releases										
Madoff releases										
Total underlying on-balance sheet impairment charges on loans and other receivables		**88**	**20**	**73**	**181**		390	90	75	555

1. Excluding Securities financing due to the new presentation of the balance sheet.

The underlying impairments decreased by 67% to EUR 181 million at Q4 2014, compared with EUR 555 million at Q4 2013. This decline was primarily driven by lower impairments in Commercial loans for an amount of EUR 302 million and, to a lesser extent, in the mortgage portfolio.

The decrease in impairments charges in the Commercial loans portfolio was mainly driven by declines in small-sized Commercial Clients. For this portfolio, several measures were taken to increase risk awareness, acceptance criteria were tightened and files with a higher risk profile were proactively managed. However, the decrease in impairments was not visible across all industry sectors, as some sectors are struggling to adapt to structural changes, for example retail non-food, shipping and horticulture.

Impairments for residential mortgages declined as a result of the improved Dutch housing market. In addition, we were able to successfully manage the files with long-term payment arrears, which also resulted in lower impairments.

Total impairments in the consumer loan portfolio remained stable in the fourth quarter of 2014 compared with the same period in 2013.

Write-offs increased to EUR 476 million at Q4 2014, compared with Q4 2013. This increase was mainly driven by higher write-offs of older impaired files.

Loan impairment charges and allowances

					2014					2013
(in millions)	Securities financing	Commercial loans[1]	Residential mortgages	Consumer loans	Total	Securities financing	Commercial loans[1]	Residential mortgages	Consumer loans	Total
Balance as at 1 January	**24**	**3,778**	**585**	**612**	**4,999**	**28**	**4,697**	**370**	**445**	**5,540**
Impairment charges for the period	1	1,359	436	340	2,135		1,588	496	462	2,546
Reversal of impairment allowances no longer required	- 16	- 583	- 228	- 81	- 908	- 4	- 1,245	- 135	- 130	- 1,514
Recoveries of amounts previously written-off		- 13	- 11	- 36	- 60		- 6	- 5	- 39	- 50
Total impairment charges on loans and other receivables	**- 15**	**763**	**197**	**223**	**1,168**	**- 4**	**337**	**356**	**293**	**982**
Amount recorded in interest income from unwinding of discounting		- 47	- 66	- 11	- 125		- 30	- 14	- 9	- 53
Currency translation differences	2	68			71		- 32			- 32
Amounts written-off (net)		- 1,011	- 196	- 182	- 1,389		- 1,281	- 165	- 152	- 1,598
Reserve for unearned interest accrued on impaired loans		37	39	- 10	65		84	31	35	150
Other adjustments		- 19	- 20	22	- 17		3	7		10
Balance as at end of period	**11**	**3,568**	**538**	**654**	**4,771**	**24**	**3,778**	**585**	**612**	**4,999**
Reconciliation from reported to underlying impairment charges										
Total reported on-balance sheet impairment charges on loans and other receivables	**- 15**	**763**	**197**	**223**	**1,168**	**- 4**	**337**	**356**	**293**	**982**
Greek releases							432			432
Madoff releases							252			252
Total underlying on-balance sheet impairment charges on loans and other receivables	**- 15**	**763**	**197**	**223**	**1,168**	**- 4**	**1,021**	**356**	**293**	**1,666**

1. Excluding Securities financing due to the new presentation of the balance sheet.

Underlying impairment charges decreased by 30% to EUR 1.2 billion at year-end 2014 compared with EUR 1.7 billion at year-end 2013. This decline in underlying impairments was primarily driven by lower impairments in Commercial loans for an amount of EUR 258 million and, to a lesser extent, in the mortgage portfolio. Including special items of EUR 684 million for Greek and Madoff-related files, impairment charges increased to EUR 1.2 billion from EUR 1.0 billion in 2013.

The decrease in impairments in the Commercial loans portfolio was mainly driven by declines in small Commercial Clients. For this portfolio, several measures were taken to increase risk awareness, acceptance criteria were tightened and files with a higher risk profile were proactively managed. However, the decrease in impairments was not visible across all industry sectors, as some sectors are struggling to adapt to structural changes, for example retail non-food, shipping and horticulture.

Impairments for Residential mortgages declined as a result of the improved Dutch housing market. In addition, we were able to successfully manage the files with long-term payment arrears, which also resulted in lower impairments.

Impairments for Consumer loans decreased from EUR 293 million to EUR 223 million, although they are still at elevated levels. The decline is relatively smaller compared with other portfolios.

Impaired loans by industry

	31 December 2014		30 September 2014		31 December 2013	
(in millions)	Impaired exposures	Allowances for impairments for identified credit risk	Impaired exposures	Allowances for impairments for identified credit risk	Impaired exposures	Allowances for impairments for identified credit risk
Industry sector						
Banks	10	- 10	9	- 9	23	- 23
Financial services[1]	813	- 693	759	- 697	720	- 674
Industrial goods and services	1,328	- 703	1,645	- 770	1,374	- 721
Real estate	793	- 390	774	- 468	819	- 520
Oil and gas	119	- 76	51	- 51	105	- 104
Food and beverage	544	- 245	430	- 247	421	- 250
Retail	630	- 355	535	- 310	517	- 292
Basic resources	212	- 152	248	- 156	208	- 121
Healthcare	65	- 39	86	- 42	48	- 25
Construction and materials	371	- 254	434	- 291	381	- 271
Travel and leisure	202	- 119	270	- 132	272	- 139
Other[2]	220	- 136	299	- 173	380	- 274
Subtotal Industry Classification Benchmark	**5,308**	**- 3,170**	**5,541**	**- 3,345**	**5,268**	**- 3,414**
Private individuals (non-Industry Classification Benchmark)	2,324	- 918	2,513	- 982	2,577	- 921
Public administration (non-Industry Classification Benchmark)						
Subtotal non-Industry Classification Benchmark	**2,324**	**- 918**	**2,513**	**- 982**	**2,577**	**- 921**
Total[3]	**7,632**	**- 4,089**	**8,055**	**- 4,328**	**7,845**	**- 4,335**

1. Financial services include asset managers, credit card companies and providers of personal financial services and securities and brokers.
2. Other includes, personal and household goods, media, technology, automobiles and parts, chemicals, telecommunication and insurance, in addition to unclassified.
3. Amounts excluding Incurred But Not Identified (IBNI).

In the fourth quarter, the concentration of the impaired portfolio in the industrial goods and services industry declined from 20% to 17%, although within this sector the concentration in the shipping industry increased.

The concentration in real estate remained stable at 10%, despite material write-offs and new impaired loans in this sector.

The retail sector is struggling with structural changes. The level of impairments and impaired exposure have been increasing over the past few quarters. In the fourth quarter of 2014, impairments were noted for new impaired files in the retail, non-food and automotive sectors.

Developments in specific portfolios

The following section provides a more detailed overview of the developments in specific portfolios and products.

Residential mortgages

The Dutch housing market showed a strong recovery in 2014. The housing price index of the Central Bureau of Statistics (CBS) increased by nearly 1% and average sales prices were higher in 2014 compared with the previous year. According to CBS, the number of transactions in the Dutch housing market went up by more than 39% compared with full-year 2013.

The number of transactions were particularly high in the fourth quarter of 2014, partly driven by the elevated gift tax exemption. This tax arrangement ended at the end of 2014.

In 2014, the Dutch government further constrained the capacity to borrow. The maximum loan amount for government-guaranteed loans (NHG) was reduced to EUR 265,000 at 1 July 2014 and will be further capped to ultimately EUR 225,000 in 2016. Furthermore, the maximum LtMV of a mortgage loan will be restricted from 104% in 2014 to 100% in 2018. Since 2013, new mortgages need to be redeemed fully (100%) on an annuity or linear scheme. These tighter mortgage lending conditions are aimed at preventing residual debt problems in the mortgage portfolio.

NHG introduced new conditions to stimulate the housing market. As from 1 January 2014, residual debt (on existing NHG loans) may be refinanced. At the same time, an own-risk for mortgage lenders of 10% was introduced for new NHG loans.

The Dutch housing market has shown a strong improvement, and measures that have been taken have had an effect. However, further improvements are contingent upon the further development of the Dutch economy.

ABN AMRO's new mortgage production volume increased to EUR 2.6 billion in the fourth quarter of 2014 compared with EUR 2.2 billion in the third quarter of 2014. New production volume for the whole of 2014 was considerably higher at EUR 8.7 billion compared with EUR 6.4 billion for the previous year. The NHG part of the new mortgage production declined in the fourth quarter of 2014 to 46% compared with 52% in the third quarter of 2014.

Contractual repayments are gradually starting to grow, reflecting the new fiscal regime. Redemptions due to house sales or refinancing rose, also in the higher LtMV classes.

Extra repayments grew by 18% to EUR 2.7 billion in 2014, a historically high amount. In the fourth quarter of 2014, extra repayments grew to EUR 1.2 billion from EUR 0.4 billion in the third quarter of 2014. a high amount of EUR 0.6 billion in extra repayments was noted especially in December 2014, although traditionally this month is higher than the rest of the year. For 2014, significantly higher extra repayments can be explained by the ending of the elevated gift tax exemption combined with our clients' interest in making extra repayments due to low savings interest rates and greater awareness among homeowners of the possibility of residual debt.

Key residential mortgage indicators

(in millions)	31 December 2014	30 September 2014	31 December 2013
Gross carrying amount excl. fair value adjustment from hedge accounting	148,402	149,637	150,493
Of which Nationale Hypotheek Garantie (NHG)	37,540	37,138	35,603
Fair value adjustment from hedge accounting	4,134	3,996	3,531
Gross carrying amount	152,536	153,633	154,024
Exposure at Default[1]	160,291	161,006	160,165
Risk exposure amount[1]	22,062	22,421	19,823
Risk exposure amount/Exposure at Default	13.8%	13.9%	12.4%
Forbearance ratio[2]	1.2%		1.6%
Past due but not impaired	3,639	3,872	4,108
Past due ratio	2.4%	2.5%	2.7%
Coverage ratio	27.6%	28.6%	27.1%
Impaired ratio	1.0%	1.1%	1.1%
Average Loan-to-Market-Value	83%	84%	84%
Average Loan-to-Market-Value - excluding NHG	79%	80%	80%
Total risk mitigation	210,925	210,305	213,640

1. 2013 figures are reported under Basel II and the 2014 figures are reported using the Basel III (CRR/CRD IV) framework. Under Basel III 2013 pro-forma figures are: EAD (157,902); REA (18,840).
2. ABN AMRO didn't report forbearance figures In the first and third quarter of 2014.

The gross carrying amount of the Residential mortgage portfolio decreased by EUR 1.1 billion to EUR 152.5 billion at 31 December 2014 from EUR 153.6 billion at 30 September 2014. This decline was caused by high redemptions that exceeded new production volume. Twenty-five per cent of the mortgage portfolio consists of NHG-guaranteed loans. As a result of the lower loan volume of the mortgage portfolio, the Exposure at Default also declined by EUR 0.7 billion from EUR 161.0 billion to EUR 160.3 billion.

The risk exposure amount (REA) decreased slightly by EUR 0.4 billion, mainly as a result of lower amounts in arrears. The forbearance ratio declined to 1.2% at 31 December 2014, compared with 1.6% at year-end 2013 and remained unchanged in the second half of the year. This decline was mainly the result of refined assumptions with regard to forborne loans.

The number of clients that went into arrears was significantly lower and more clients were able to recover from arrears. The mortgage portfolio in arrears (past due up to 90 days) decreased to EUR 3.6 billion at 31 December 2014 from EUR 3.9 billion at 30 September 2014. This is the result of a combination of active management of the portfolio in arrears, coaching clients that run a higher risk of getting into arrears and improved economic conditions.

The coverage ratio of the Residential mortgage portfolio decreased slightly to 27.6% at 31 December 2014 compared with 28.6% at 30 September 2014. This decline was mainly the result of a relatively higher decrease in allowances for impairments compared with the impaired exposure. The impaired ratio improved slightly to 1.0% at 31 December 2014 from 1.1% at 30 September 2014.

The increase in residential property value of mortgages and extra repayments on mortgage loans resulted in a decrease in the average LtMV of the mortgage portfolio to 83% at 31 December 2014 from 84% at 30 September 2014 and 31 December 2013.

Residential mortgages to indexed market value

(in millions)	31 December 2014				30 September 2014				31 December 2013			
	Gross carrying amount	Percentage of total	Guaranteed	Unguaranteed	Gross carrying amount	Percentage of total	Guaranteed	Unguaranteed	Gross carrying amount	Percentage of total	Guaranteed	Unguaranteed
Loan-to-Market Value category[1)]												
<50%	23,707	16.0%	1.7%	14.3%	23,331	15.6%	1.6%	14.0%	23,726	15.8%	1.6%	14.2%
50% - 80%	36,927	24.9%	4.2%	20.7%	36,164	24.2%	4.0%	20.2%	36,175	24.0%	3.7%	20.3%
80% - 90%	16,488	11.1%	2.8%	8.3%	16,022	10.7%	2.6%	8.1%	15,583	10.3%	2.4%	8.0%
90% - 100%	20,396	13.7%	4.5%	9.2%	19,425	13.0%	3.9%	9.1%	18,842	12.5%	3.3%	9.2%
100% - 110%	21,455	14.5%	5.8%	8.7%	21,979	14.7%	5.8%	8.9%	21,346	14.2%	5.0%	9.2%
>110%	27,165	18.3%	6.3%	12.0%	30,295	20.2%	6.9%	13.3%	32,598	21.7%	7.7%	14.0%
Unclassified	2,264	1.5%			2,421	1.6%			2,223	1.5%		
Total	**148,402**	**100%**			**149,637**	**100%**			**150,493**	**100%**		

1. ABN AMRO calculates the Loan-to-Market Value using the indexation of the CBS (Statistics Netherlands).

The increase in the residential property value of mortgages and repayments on mortgage loans with high Loan-to-Market Value (LtMV) resulted in a decrease in the average LtMV. The number of clients with an indexed LtMV higher than 100% decreased from 34.9% to 32.8%. However, LtMVs of more than 100% are not necessarily an indicator that the clients in question are having financial difficulties.

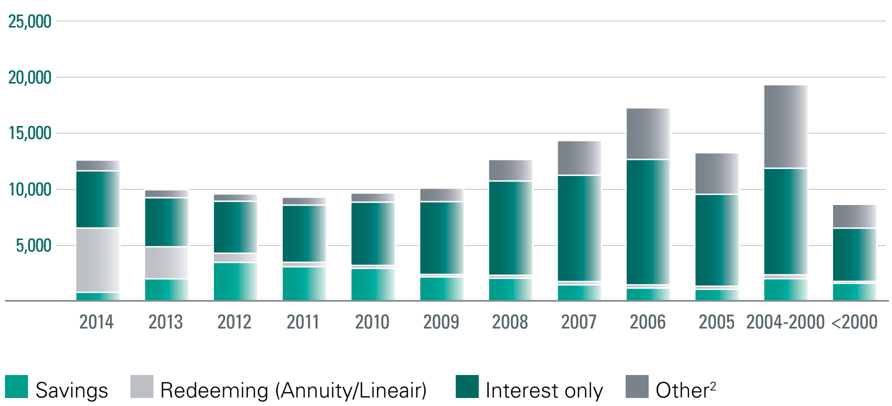
The gross carrying amount of mortgages with a LtMV above 110% decreased to EUR 27.2 billion at 31 December 2014, down by EUR 3.1 billion compared with 30 September 2014. The decrease in this category was even larger compared with year-end 2013 (a decline of EUR 5.4 billion). The main reasons for these declines were the redemptions and extra repayments, which were partly in the LtMV category >110%, together with increased indexed market values that had a positive influence on all LtMV categories. There was no new inflow in the highest LtMV categories because new production had a LtMV between 90% and 104%.

Breakdown of residential mortgage portfolio by year of last modification

The following chart provides a breakdown of the mortgage portfolio by year of last modification.

Breakdown of residential mortgage portfolio by year of last modification[1]

(in millions)



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

Historically, residential mortgages in the Netherlands have been composed of different types of mortgages, e.g. a combination of interest-only and savings mortgages. Under the present fiscal regime, new mortgages need to be 100% redeemable in order to be eligible for tax deduction. As a result, new production consists mainly of redemption mortgages. This has led to a gradual shift of the mortgage portfolio to safer redemption types.

Breakdown of residential mortgage portfolio by loan type

	31 December 2014		30 September 2014		31 December 2013	
(in millions)	Gross carrying amount	Percentage of total	Gross carrying amount	Percentage of total	Gross carrying amount	Percentage of total
Interest only (partially)	48,936	33%	49,524	34%	50,521	34%
Interest only (100%)	34,081	23%	34,777	24%	36,387	24%
Redeeming mortgages (annuity/linear)	11,956	8%	10,442	6%	7,020	5%
Savings	23,243	16%	23,701	16%	24,674	16%
Life (investment)	20,279	14%	20,909	14%	22,248	15%
Other[1]	9,907	7%	10,284	6%	9,643	6%
Total	**148,402**	**100%**	**149,637**	**100%**	**150,493**	**100%**

1. Other includes hybrid, other and unclassified mortgage types. The hybrid portfolio consists of a combination of savings and investment mortgages.

The breakdown of the Residential mortgage portfolio is starting to reflect the impact of the adjusted fiscal regime. Interest-only mortgages decreased to 56% compared with 58% in the third quarter of 2014. Redeeming mortgages increased to 8% of the mortgage portfolio, up from 6% in the third quarter of 2014.

The risk profile of our mortgage portfolio has remained low in recent years and further improved in 2014. This is evidenced by the relatively low impairments over the average loan book in 2014. The long-term LtMV of the bank's portfolio is expected to further decrease, as a result of the regulatory reduction of the maximum LtMV on a mortgage loan. Furthermore, fewer customers are expected to face residual debt.

Consumer loans

Consumer loans indicators

(in millions)	31 December 2014	30 September 2014	31 December 2013
Gross carrying amount	16,052	16,151	16,241
Forbearance ratio[1]	2.9%		2.1%
Past due but not impaired	633	665	885
Past due ratio	3.9%	4.1%	5.4%
Coverage ratio	61.4%	57.5%	57.7%
Impaired ratio	5.4%	5.7%	5.5%
Total risk mitigation	9,807	9,541	7,955

1. ABN AMRO didn't report forbearance figures in the first and third quarter of 2014.

The carrying amount for Consumer loans remained relatively stable in the fourth quarter of 2014. Consumer loans represent around 6% of the total loans and receivables portfolio. The total forborne ratio of Consumer loans increased by 0.8% to 2.9% at 31 December 2014 compared with 2.1% at year-end 2013, due to inflow of new forborne clients.

The past due but not impaired part of the portfolio decreased slightly further in the final quarter of 2014, following a significant decline in the third quarter of 2014 compared with year-end 2013. This decline was driven by the proactive recession management programme, which was designed to prevent payment problems for clients.

The coverage ratio of the Consumer loans portfolio increased to 61.4% at 31 December 2014, compared with 57.5% at 30 September 2014. The rise in the fourth quarter of 2014 was mainly the result of lower impaired exposures combined with stable allowances for impairments.

Commercial loans

Commercial loans indicators

(in millions)	31 December 2014	30 September 2014	31 December 2013
Gross carrying amount	86,299	86,223	84,330
Forbearance ratio[1]	7.8%		7.4%
Past due but not impaired	1,747	1,728	2,350
Past due ratio	2.0%	2.0%	2.8%
Coverage ratio	60.5%	61.4%	64.3%
Impaired ratio	5.8%	6.1%	6.0%
Total risk mitigation	68,450	58,997	59,589

1. ABN AMRO didn't report forbearance figures in the first and third quarter of 2014.

The Commercial loan portfolio remained stable at EUR 86.3 billion at 31 December 2014, compared with EUR 86.2 billion at 30 September 2014. The main development in this portfolio was an increase in the ECT Clients portfolio, which was offset by decreases in the commercial lending portfolio.

The forbearance ratio increased to 7.8% at 31 December 2014, compared with EUR 7.4% at year-end 2013, due to the inflow of new forborne clients.

The total past due exposure on Commercial loans remained fairly stable, with the bucket >60 days trending down as a result of stricter monitoring of our clients.

Energy, Commodities & Transportation Clients

The annualised combined on- and off-balance sheet exposure of the Energy, Commodities & Transportation Clients (ECT Clients) portfolio grew by 33% in the fourth quarter of 2014. Growth was mainly realised in the energy and transportation sectors and was supported by the strong appreciation of the US dollar by 4.5% in the fourth quarter. The growth in exposure was offset by lower utilisation of facilities in the commodities sector due to declining commodity prices, especially oil.

ECT Clients' total loan portfolio amounted to an equivalent of EUR 22.2 billion on-balance sheet exposure at 31 December 2014 compared with EUR 19.0 billion at 30 September 2014 and EUR 16.2 billion at year-end 2013. The off-balance sheet exposure, consisting mainly of short-term letters of credit secured by commodities, guarantees and committed credit lines, decreased slightly to EUR 12.8 billion compared with EUR 13.2 billion at the end of the third quarter. Uncommitted commodity trade finance lines increased to EUR 21.2 billion from EUR 19.7 billion at the end of the third quarter.

The composition of the different ECT Clients sectors in terms of on-balance sheet exposure remained relatively stable in the fourth quarter. The Commodities clients sector accounts for 52% of the ECT Clients loan portfolio, while the remainder consists of loans to clients in the Transportation clients sector (31%), and Energy clients sector (17%) .

Impairment charges amounted to EUR 37 million in the fourth quarter of 2014 compared with EUR 29 million over the same period in 2013. Loan impairment charges for the full year amounted to EUR 54 million compared with EUR 41 million for 2013.

Market risk

ABN AMRO is exposed to market risk in its trading book and banking book.

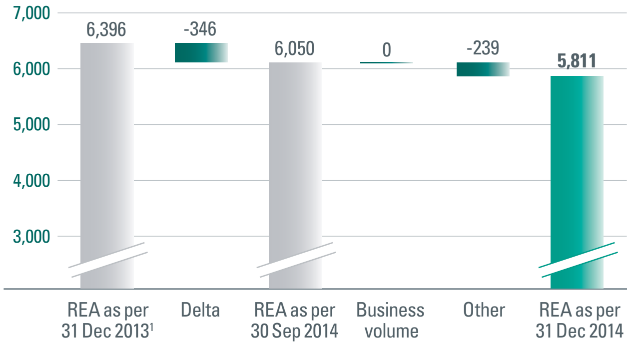
Market risk in the trading book

ABN AMRO has limited exposures in the trading book.

REA for market risk decreased slightly in the fourth quarter of 2014 compared with the third quarter of 2014.

REA flow statement market risk

(in millions)



[1] No REA impact from CRR/CRD IV on market risk.

Internal aggregated diversified and undiverisified VaR for all trading positions

	Q4 2014		Q4 2013		Q3 2014	
(in millions)	Diversified	Undiversified	Diversified	Undiversified	Diversified	Undiversified
VaR at last trading day of period	1.4	2.5	1.4	2.4	1.1	2.2
Highest VaR	1.8	2.8	2.8	4.2	1.6	2.8
Lowest VaR	0.8	1.6	0.7	1.6	0.8	1.7
Average VaR	1.2	2.3	1.7	2.8	1.0	2.0

The table above shows the average, maximum and minimum Value-at-Risk (VaR) (with a 99% confidence level and a one-day holding period) of our trading units for the specified periods.

The average VaR observed in the last quarter of 2014 compared with the same period in the previous year decreased by EUR 0.5 million. The decline was primarily due to broad risk reduction in most asset classes, most significantly for equity derivatives due to the strategic decision to exit this business. Third-quarter to last quarter VaR at last trading day of period increased slightly by EUR 0.3 million. The average VaR increased by EUR 0.2 million. This increase was due to higher market volatility within one year of historical market data, used in the calculation during the fourth quarter of 2014.

Market risk in the banking book

ABN AMRO manages interest rate risk in the banking book in accordance with its moderate risk profile.

Interest rate risk metrics

	31 December 2014	30 September 2014	31 December 2013
NII-at-risk (in %)	2.2	2.4	5.4
Duration of equity (in years)	4.0	4.0	4.3
VaR banking book at last trading day of period[1] (in millions)	959	952	956

1. ABN AMRO applies a two-months 99% VaR for the banking book, meaning that a VaR of EUR 1 million implies a 1% chance of loss of more than EUR 1 million within a two-month period.

In a persistently low interest rate environment, the duration of equity was kept stable over the fourth quarter of the year. The VaR of the banking book only slightly increased in line with the development of duration. The NII-at-Risk decreased at 31 December 2014 compared with 30 September 2014, reflecting lower net interest income sensitivity to a potential upward yield curve shift. The decrease in NII sensitivity was mainly caused by re-pricing of client positions. The short-term sensitivity of the net interest income towards a further downward movement of the yield curve remains limited.

Operational risk

No REA impact has been noted for operational risk between 31 December 2014 and 30 September 2014.

capital management 8

ABN AMRO remains well capitalised and is already compliant with the more stringent fully-loaded Basel III capital requirements. The capital adequacy position improved due to profit retention anda substantial decrease in the risk exposure amount. The bank strives to further optimise its capital structure in anticipation of upcoming regulatory requirements.

Capital structure

The capital structure consists of loss-absorbing capital to cover unexpected losses. The subordination in specific capital elements provides further protection to senior creditors.

In Q4 2014, Common Equity Tier 1 capital increased due to retained earnings. Regulatory qualifying Tier 2 capital decreased due to regulatory amortisation of the outstanding Tier 2 instruments.

Common Equity Tier 1 capital decreased in 2014 due primarily to the impact of the transition to the collective defined contribution pension scheme, while Additional Tier 1 and Tier 2 capital remained virtually stable.

Regulatory capital structure

	Basel III			Basel II
(in millions)	31 December 2014	30 September 2014	31 December 2013 pro-forma	31 December 2013
Total equity (IFRS)	**14,877**	**14,544**	**13,568**	**13,568**
Participations in financial institutions				- 336
Cash flow hedge reserve	1,223	1,174	1,467	1,467
Dividend reserve	- 275	- 350	- 200	- 200
Other regulatory adjustments	- 399	- 326	1,183	1,199
Common Equity Tier 1/Core Tier 1 capital	**15,426**	**15,043**	**16,018**	**15,698**
Innovative hybrid capital instruments	800	800	800	1,000
Other regulatory adjustments	- 241	- 279	- 317	
Tier 1 capital	**15,985**	**15,563**	**16,501**	**16,698**
Subordinated liabilities Tier 2	5,502	5,762	5,607	5,610
Excess Tier 1 capital recognised as Tier 2 capital	200	200		
Participations in financial institutions				- 336
Other regulatory adjustments	- 39	- 56	- 164	25
Total regulatory capital	**21,648**	**21,469**	**21,944**	**21,997**

Risk exposure amount and capital ratios

(in millions)	31 December 2014	30 September 2014	Basel III 31 December 2013 pro-forma	Basel II 31 December 2013
Risk exposure amount				
Credit risk	87,667	93,448	92,631	86,201
Operational risk	16,168	16,168	16,415	16,415
Market risk	5,811	6,050	6,396	6,396
Total risk exposure amount	**109,647**	**115,667**	**115,442**	**109,012**
Common Equity Tier 1 ratio/Core Tier 1 ratio	14.1%	13.0%	13.9%	14.4%
Tier 1 ratio	14.6%	13.5%	14.3%	15.3%
Total capital ratio	19.7%	18.6%	19.0%	20.2%
Other indicators				
Risk exposure amount/Total assets	28.3%	28.7%	31.0%	29.3%
Risk exposure amount/Exposure at Default	31.3%	32.9%	32.5%	31.2%

Main changes in capital position

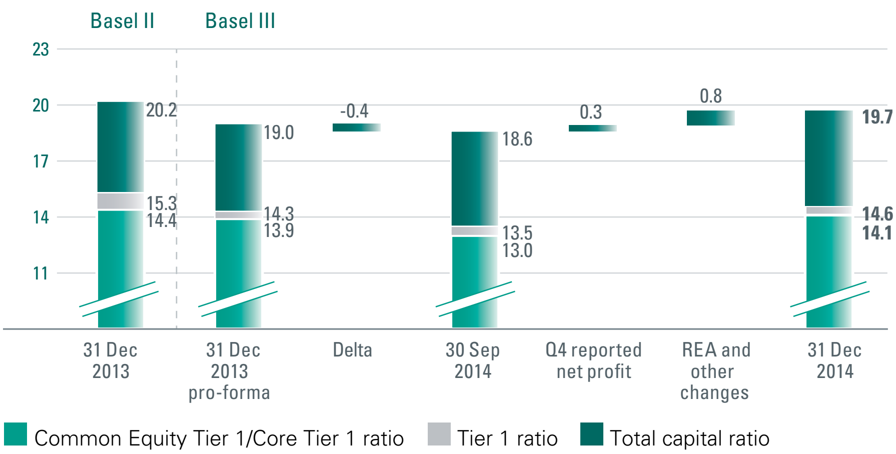
The CRD IV Common Equity Tier 1 ratio stood at 14.1% on 31 December 2014 compared with 13.0% on 30 September 2014. The CRD IV total capital ratio was 19.7%, up from 18.6%.

The increase in both the Common Equity Tier 1 ratio and the total capital ratio is attributable to the retention of reported profit and the substantial decrease in the risk exposure amount (REA).

The CRD IV Common Equity Tier 1 ratio improved by 0.2% in full-year 2014 and the CRD IV total capital ratio improved by 0.7%. The negative impact of the pension scheme change on the Common Equity Tier 1 ratio of 1.7% was offset by the retained profit for the period and the decrease in REA. Settlement of the pension agreement largely eliminated future capital position volatility.

Developments impacting capital ratios in Q4 2014

(in %)



Dividend

Based on the reported net profit, ABN AMRO will propose to pay a final dividend of EUR 275 million to its shareholder, bringing the total dividend for 2014 to EUR 400 million. An interim dividend of EUR 125 million was paid to the shareholder in November 2014.

Leverage ratio

The phase-in Capital Requirements Regulation (CRR) leverage ratio improved to 3.5% on 31 December 2014 from 3.4% on 30 September 2014, while the fully-loaded CRR leverage ratio improved to 3.4% from 3.2%. At year-end 2013, the fully-loaded CRR leverage ratio was 3.1%.

Improvement of the leverage ratio can be mainly attributed to the substantial decrease in notional cash pooling and the subsequent decrease in the exposure measure achieved in the fourth quarter.

The phase-in Commission Delegated Regulation (CDR) leverage ratio stood at 3.8% on 31 December 2014, while the fully-loaded CDR leverage ratio stood at 3.7%. The CDR will be applicable as of 2015. At year-end 2013, the fully-loaded CDR leverage ratio was 3.2%.

Main regulatory developments

CRD IV/CRR

The Capital Requirements Directive IV (CRD IV) and the Capital Requirements Regulation (CRR) set the framework for the implementation of Basel III in the European Union. CRD IV and CRR were phased in on 1 January 2014 and will be fully effective by January 2019.

Eligibility of capital instruments

(in millions)	31 December 2014	30 September 2014	31 December 2013
Tier 1 capital instruments	1,000	1,000	1,000
Tier 2 capital instruments	6,735	6,665	6,517
Total capital instruments	**7,735**	**7,665**	**7,517**
Of which: CRD IV/CRR phase-in eligible			
Tier 1	800	800	800
Tier 2	5,502	5,762	5,607
Excess Tier 1 capital recognised as Tier 2 Capital	200	200	
Of which: CRD IV/CRR fully-loaded eligible			
Tier 1			
Tier 2	5,310	5,570	2,654

In the second quarter of 2014, the Dutch central bank assessed the CRR compliance of ABN AMRO's capital instruments. The large majority of Tier 2 instruments are now recognised as fully CRR compliant, with a positive impact on fully-loaded total capital.

Tier 2 capital instruments eligible under the CRD IV/CRR phase-in rules decreased slightly in Q4 2014, due to regulatory amortisation of outstanding capital instruments with a negative impact on total capital (total capital ratio impact of -0.2%).

Impact of CRD IV/CRR fully-loaded rules on capital ratios

The impact of the CRD IV/CRR fully-loaded rules on the capital ratios is as follows:

- REA are equivalent to those under phase-in rules;
- The amount of Common Equity Tier 1 capital is approximately equal to the amount under the phase-in rules since the fully-loaded impact on Common Equity Tier 1 capital deductions is largely neutral;
- Total capital is expected to decrease by an additional EUR 0.9 billion, mainly due to the loss of eligibility of Tier 1 and Tier 2 capital instruments, resulting in an additional decline in the total capital ratio of 0.8%.

CRD IV/CRR capital ratios

	Phase-in	Fully-loaded
31 December 2014		
Risk exposure amount (in millions)	109,647	109,647
Common Equity Tier 1 (in millions)	15,426	15,436
Tier 1 capital (in millions)	15,985	15,436
Total capital (in millions)	21,648	20,746
Common Equity Tier 1 ratio	14.1%	14.1%
Tier 1 ratio	14.6%	14.1%
Total capital ratio	19.7%	18.9%

liquidity & funding 9

ABN AMRO's liquidity position remained solid during Q4 2014. All liquidity indicators were stable or improved in line with the pursued moderate risk profile. The Liquidity Coverage Ratio and the Net Stable Funding Ratio stayed comfortably above 100% and the survival period consistently exceeded 12 months. The wholesale funding dependence decreased due to a further increase in client deposits.

Liquidity risk

Liquidity indicators

	31 December 2014	30 September 2014	31 December 2013
Loan-to-deposit ratio (in %)	117%	117%	121%
LCR ratio (in %)	>100%	>100%	100%
NSFR ratio (in %)	>100%	>100%	>100%
Survival period (in months)	>12 months	>12 months	>12 months
Available Liquidity buffer (in billions)	73.9	69.3	75.9

The loan-to-deposit ratio remained stable at 117% in Q4 2014. The loan-to-deposit ratio improved to 117% at 31 December 2014 compared with 121% at 31 December 2013 mainly due to higher customer deposits.

Loan-to-deposit ratio

(in millions)	31 December 2014	30 September 2014	31 December 2013
Loans and receivables - customers[1]	261,910	261,189	257,028
Net adjustments[1]	- 2,975	- 1,448	784
Adjusted loans and receivables - customers	**258,935**	**259,742**	**257,812**
Due to customers[1]	216,011	214,893	207,584
Net adjustments[1]	6,196	6,232	6,112
Adjusted due to customers	**222,207**	**221,125**	**213,696**
Loan-to-deposit ratio (%)	**117%**	**117%**	**121%**

1. Excluding Securities financing due to the new presentation of the balance sheet.

The Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) both remained comfortably above 100% in Q4 2014. This is in line with the preferred early compliance with future regulatory requirements.

The survival period was consistently >12 months in Q4 2014. The survival period reflects the period that the bank's liquidity position is expected to remain positive in a stress scenario in which wholesale funding markets close down and retail and commercial clients withdraw a proportion of their deposits.

The liquidity buffer amounted to EUR 73.9 billion in Q4 2014. This is an increase of EUR 4.6 billion compared with 30 September 2014 due to a higher cash position and increased retained RMBS. A liquidity buffer of unencumbered assets is retained as a safety cushion in the event of severe liquidity stress.

The LCR rose above 100% at 31 December 2014 compared with 100% at 31 December 2013. The NSFR remained above 100% in 2014. The liquidity buffer decreased by EUR 2.0 billion in 2014 mainly as a result of a lower cash position, partially offset by the purchase of government bonds.

Liquidity buffer composition

	31 December 2014		30 September 2014		31 December 2013	
(in billions)	Liquidity buffer	of which LCR eligible	Liquidity buffer	of which LCR eligible	Liquidity buffer	of which LCR eligible
Cash & central bank deposits	5.3	5.3	2.6	2.6	16.8	16.8
Government bonds	27.3	28.3	28.1	29.4	18.0	18.8
Covered bonds	2.0	1.8	2.2	2.0	2.2	1.9
Retained RMBS	31.8		30.4		33.1	
Third party RMBS	1.0	0.8	1.0	0.8	1.1	0.9
Other	6.5	3.7	5.0	2.6	4.7	2.7
Total liquidity buffer	**73.9**	**40.0**	**69.3**	**37.4**	**75.9**	**41.1**
- of which in EUR (in %)	92.7%		91.8%		96.3%	
- of which in other currencies (in %)	7.3%		8.2%		3.7%	

Funding

ABN AMRO's funding strategy for wholesale liabilities is based on the bank's moderate risk profile. It aims to optimise and diversify the bank's funding sources in order to maintain the solid long-term funding position, liquidity profile and compliance with regulatory requirements. We aim to strike a balance between the need to have sufficient funding and the costs involved, thereby ensuring that the balance sheet has a diverse, stable and cost-efficient funding base.

In the fourth quarter of 2014, funding spreads for most financial institutions further decreased. On top of that, the European Central Bank (ECB) provided EUR 130 billion extra liquidity to the markets in the second round of eight Targeted Long-Term Refinancing Operations (TLTRO), a programme that supports lending to the real economy. ABN AMRO participated in this programme and consequently reduced further funding activities in the wholesale market.

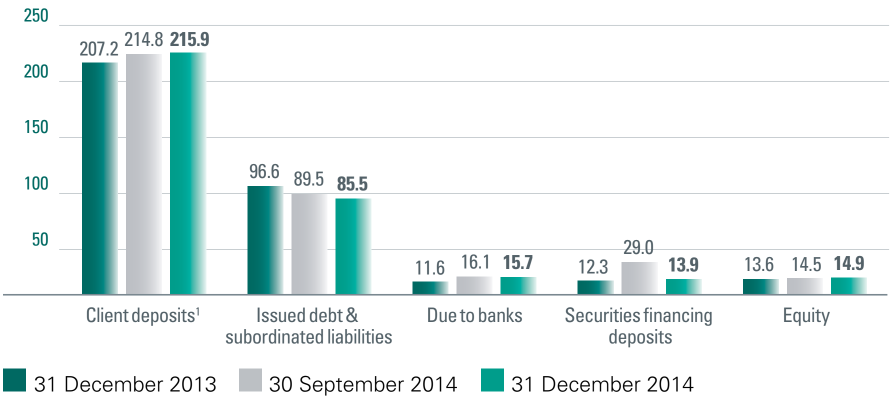
Liability breakdown

Client deposits comprise a sound core funding base and serve as the main source of funding, complemented by well-diversified wholesale funding. Client deposits increased by EUR 1.1 billion in Q4 2014 to EUR 215.9 billion compared with EUR 214.8 billion in Q3 2014.

The amount of outstanding wholesale funding (issued debt and subordinated liabilities) decreased from EUR 89.5 billion in Q3 2014 to EUR 85.5 billion in Q4 2014. This decline was mainly the result of the reduction of our reliance on short-term funding.

Client deposits grew by EUR 8.7 billion in full-year 2014, while wholesale funding decreased by EUR 11.1 billion.

Liability and equity breakdown
(in billions)

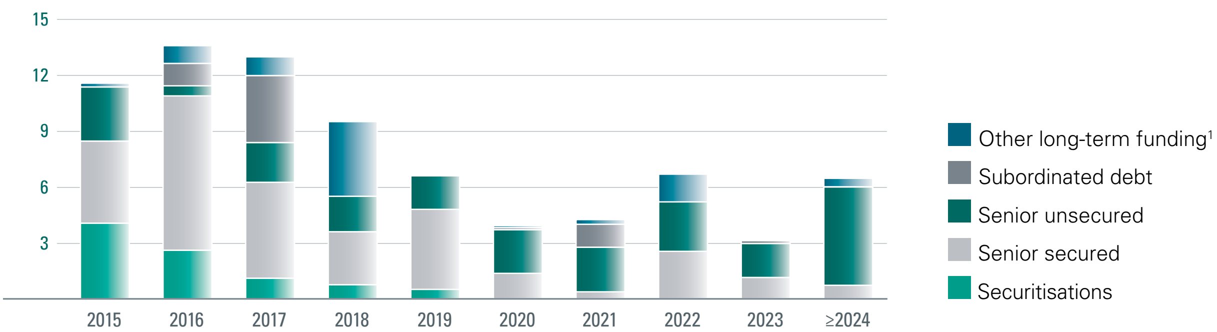


[1] Client deposits is part of the balance sheet item Due to customers.
More information can be found in the Operating and financial review section of this report.

In Q4 2014, EUR 2.9 billion of long-term debt matured. The amount of long-term funding issued during Q4 2014 was EUR 0.5 billion with an average original maturity of 5.0 years. In addition, ABN AMRO participated for an amount of EUR 2.0 billion in the TLTRO in December 2014.

In full-year 2014, a total of EUR 15.8 billion of long-term issued debt matured and a total of EUR 9.2 billion of long-term funding was issued, 29% of which in non-euro currencies. Furthermore, ABN AMRO participated in the TLTRO for a total amount of EUR 4.0 billion.

Maturity calendar at 31 December 2014
(in billions)



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

The average original maturity of funding issued in 2014 was 5.5 years. The average maturity of outstanding long-term funding (including subordinated liabilities) slightly decreased to 4.3 years in Q4 2014.

Overview of funding instruments

(in millions)	31 December 2014	30 September 2014	31 December 2013
Saving certificates	72	85	352
Commercial Paper/Certificates of Deposit			
Euro Commercial Paper	1,706	1,747	2,054
London Certificates of Deposit	1,436	2,315	5,258
French Certificats de Dépôt	1,517	3,169	4,668
US Commercial Paper	4,070	3,932	3,630
Total Commercial Paper/Certificates of Deposit	**8,729**	**11,162**	**15,610**
Senior guaranteed			
Dutch State guaranteed medium-term notes[1]			1,423
Senior unsecured			
Unsecured medium-term notes	32,252	33,179	33,089
Senior secured			
Covered bonds	27,077	26,714	25,913
Securitisations			
Residential mortgage-backed securities (Dutch)	8,829	10,003	12,122
Other asset-backed securities	171	171	173
Total securitisations	**9,001**	**10,174**	**12,295**
Total issued debt	**77,131**	**81,314**	**88,682**
Total subordinated liabilities	8,328	8,164	7,917
Total wholesale funding	**85,458**	**89,478**	**96,599**
Other long-term funding[2]	6,900	4,900	4,500
Total funding instruments	**92,358**	**94,378**	**101,099**
- of which CP/CD matures within one year[3]	8,729	11,162	15,610
- of which funding instruments (excl. CP/CD) matures within one year[3]	11,618	11,049	15,202
- of which matures after one year	72,012	72,167	70,287

1. The Dutch State guaranteed medium-term notes matured in May 2014.
2. Includes long-term repos (recorded in Securities financing), TLTRO funding (recorded in Due to banks) and funding with the Dutch State as counterparty (recorded in Due to customers).
3. The 30 September 2014 figures have been restated as the US Commercial Paper was incorrectly incorporated under the funding maturing after one year.

other

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Investor call

Gerrit Zalm, CEO, and Kees van Dijkhuizen, CFO, will host a conference call for analysts and investors at 14:00 CET (13:00 UK time) on Friday 20 February 2015.

To participate in the conference call, please refer to the Investor Relations website (www.abnamro.com/ir) for dial-in information. Pre-registration is required. The investor presentation, as published on our site, will be used during the call. The audio replay is expected to be available within a few business days of the call.

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

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