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INVESTORS SERVICE

CREDIT OPINION

2 June 2022

Update

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RATINGS

ABN AMRO Bank N.V.

Domicile	Amsterdam, Netherlands
Long Term CRR	Aa3
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	A1
Type	Senior Unsecured - Fgn Curr
Outlook	Stable
Long Term Deposit	A1
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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ABN AMRO Bank N.V.

Update to credit analysis

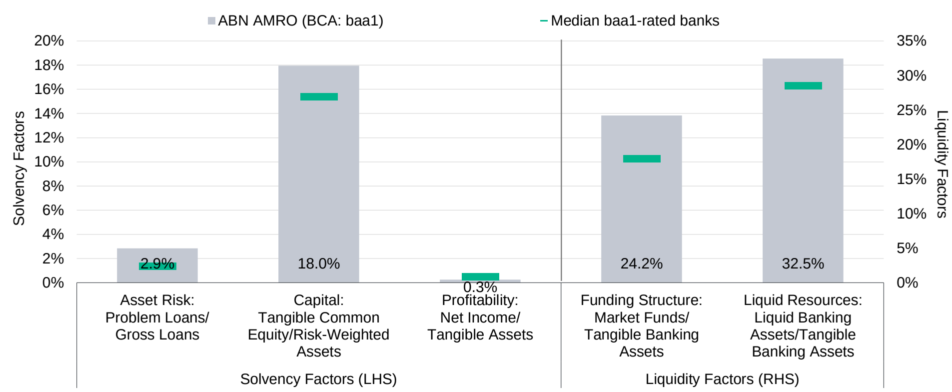
Summary

The baa1 Baseline Credit Assessment (BCA) of ABN AMRO Bank N.V. (ABN AMRO) reflects the bank's overall good financial fundamentals including strong solvency, despite material setbacks in its corporate loan book, and a robust liquidity and funding position. The BCA captures the bank's strong presence in the Dutch market, its business mix of retail, commercial banking, corporate & institutional banking (CIB), and its private banking activity across Europe.

ABN AMRO's deposit and senior unsecured debt ratings of A1 reflects (1) ABN AMRO's BCA of baa1; (2) two notches of uplift resulting from the very low loss-given-failure under our Advanced Loss Given Failure (LGF) analysis, given the substantial amount of volume and subordination benefiting these creditors; and (3) one notch of uplift stemming from a moderate probability of government support.

Exhibit 1

Rating Scorecard - Key Financial ratios



Source: Moody's Financial Metrics

Credit strengths

» Strong positions in the Dutch banking sector

» Moderate risk profile from focus on retail and commercial banking businesses

» Reduced asset risks thanks to the reduction of riskiest CIB exposures

» Strong capitalisation on a risk-weighted basis, although leverage ratio is more modest

Credit challenges

» Modest profitability driven by net interest margin pressure and the sale of higher-yielding CIB assets

» Yet incomplete remediation plan aiming at strengthening internal control framework, to be completed in 2023

» Cost inflation linked to regulatory compliance and detection of financial crime

Outlook

The stable outlook reflects the bank's strong capitalisation, as well as the structurally weakened profitability which we however expect to stabilize owing to a lower risk appetite in the CIB division and rising interest rates. The stable outlook also assumes that the liability structure and probability of government support will remain broadly unchanged.

Factors that could lead to an upgrade

We could upgrade ABN AMRO's BCA and long-term ratings if (1) the bank's capitalisation were to improve materially further, including its regulatory Tier 1 leverage ratio, and (2) the bank concurrently were to report higher net interest margins and sustainably stronger earnings with a reduced risk profile and a completed remediation to their risk control frameworks.

ABN AMRO's deposit and senior unsecured debt ratings could also be upgraded as a result of a decrease in loss given failure, should they benefit from higher subordination than is currently the case.

Factors that could lead to a downgrade

The bank's BCA could be downgraded as a result of (1) a significant deterioration in the bank's asset quality; (2) lower profitability with continued volatility in earnings; or (3) a negative development in its liquidity and/or capitalisation. A downward movement in ABN AMRO's BCA would likely result in downgrades to all ratings.

ABN AMRO's deposit and senior unsecured debt ratings could also be downgraded as a result of an increase in loss-given-failure, should they account for example for a significantly smaller share of the bank's overall liability structure, or benefit from lower subordination than is currently the case.

Key Indicators

Exhibit 2
ABN AMRO Bank N.V. (Consolidated Financials) [1]

	12-21[2]	12-20[2]	12-19[2]	12-18[2]	12-17[2]	CAGR/Avg.[3]
Total Assets (EUR Million)	399,113.0	388,970.0	375,054.0	381,295.0	393,171.0	0.4[4]
Total Assets (USD Million)	452,237.3	475,926.5	420,997.5	435,875.3	472,118.7	(1.1)[4]
Tangible Common Equity (EUR Million)	21,138.0	20,556.0	22,773.0	22,100.0	21,468.8	(0.4)[4]
Tangible Common Equity (USD Million)	23,951.6	25,151.4	25,562.7	25,263.5	25,779.6	(1.8)[4]
Problem Loans / Gross Loans (%)	2.6	3.4	2.5	2.2	2.5	2.6[5]
Tangible Common Equity / Risk Weighted Assets (%)	18.0	18.6	20.7	21.0	20.2	19.7[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	28.7	36.6	26.8	24.2	28.9	29.0[5]
Net Interest Margin (%)	1.3	1.5	1.7	1.7	1.6	1.6[5]
PPI / Average RWA (%)	1.5	2.3	3.0	3.4	3.0	2.6[6]
Net Income / Tangible Assets (%)	0.3	0.0	0.5	0.5	0.6	0.4[5]
Cost / Income Ratio (%)	78.1	67.4	61.8	60.2	64.2	66.3[5]
Market Funds / Tangible Banking Assets (%)	24.2	25.5	23.1	24.3	25.1	24.4[5]
Liquid Banking Assets / Tangible Banking Assets (%)	32.5	33.0	24.8	25.3	24.9	28.1[5]
Gross Loans / Due to Customers (%)	103.7	107.0	114.4	115.3	117.2	111.5[5]

[-] Further to the publication of our revised methodology in July 2021, only ratios from annual 2020 onwards included in this report reflect the change in analytical treatment of the "high-trigger" Additional Tier 1 instruments. [1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.
Sources: Moody's Investors Service and company filings

Further to the publication of our revised methodology in July 2021, for issuers that have "high trigger" Additional Tier 1 instruments outstanding, not all ratios included in this report reflect the change in treatment of these instruments.

Profile

ABN AMRO Bank N.V. is a Dutch universal bank. The bank provides retail, private and commercial banking products and services to individuals, high-net-worth clients, small and medium-sized enterprises (SMEs), large companies and financial institutions. Please refer to ABN AMRO's Company Profile for more information.

Detailed credit considerations

Strong position in the domestic market

ABN AMRO has a strong franchise in the highly concentrated Dutch market, where it is the second-largest bank in retail banking, having a 17%-18% market share in key products, including mortgages, savings and consumer lending. The market share in new production of residential mortgages was 17% at end-March 2022.

Around 90% of the bank's operating income was from domestic operations in 2021. Outside the Netherlands, the bank's franchise is more modest but benefits from good brand recognition in certain activities, such as private banking in France and Germany. As of the end of March 2022, private banking client assets totaled €208 billion.

The bank has also maintained a strong position in commercial banking, where its domestic market share ranges from 25% to 30%. In international activities, which are run through its corporate banking segment (formerly called Corporate and Institutional Banking (CIB)), ABN AMRO was a large player in some global markets such as “Global Transportation and Logistics” (GTL), “Natural Resources”, and “Trade and Commodity Finance” (TCF), asset-based finance and clearing. However, as announced in August 2020, ABN AMRO is refocusing its activities on its core markets of the Netherlands and Northwestern Europe and its International Clearing business. The bank will completely exit TCF activities while the Natural Resources and GTL will be conducted exclusively in Europe. The risk profile of the core activities will be moderated as a result.

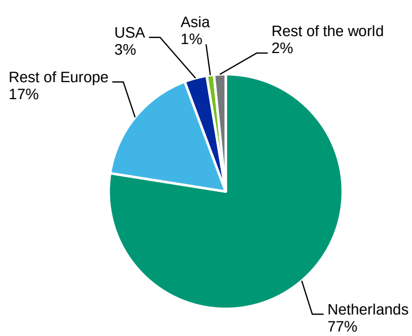
Moderate risk profile thanks to focus on retail and commercial banking businesses

As reflected in the assigned Asset Risk score of baa1, we consider ABN AMRO's asset quality to be good overall because its operations are primarily traditional retail and commercial banking in the domestic market. 60% of the bank's loan portfolio was to households (primarily residential mortgages) at end-March 2022. We expect this segment to be resilient, notably because residential mortgage loans are fixed-rate loans granted on the basis of minimum debt service ratios. As such, ABN AMRO will continue to benefit from its focus on the domestic retail market.

Exhibit 3

ABN AMRO's exposures are focused on the Netherlands

Geographical breakdown of exposures at default as of the end of 2021 (as a percentage of total exposures)

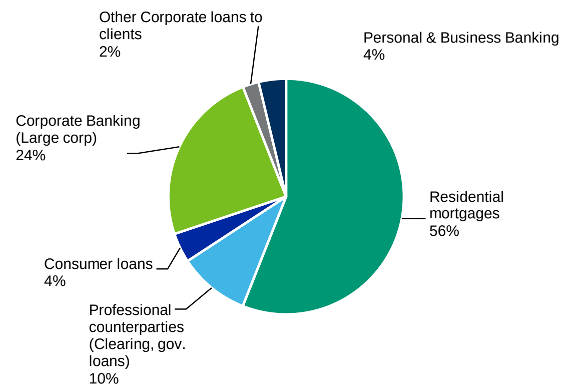


Source: Company reports and Moody's Investors Service

Exhibit 4

ABN AMRO's loan book is largely comprised of Dutch residential mortgages

Breakdown of loan book to customers by nature as of the end of March 2022 (in percentage terms)



Source: Company reports and Moody's Investors Service

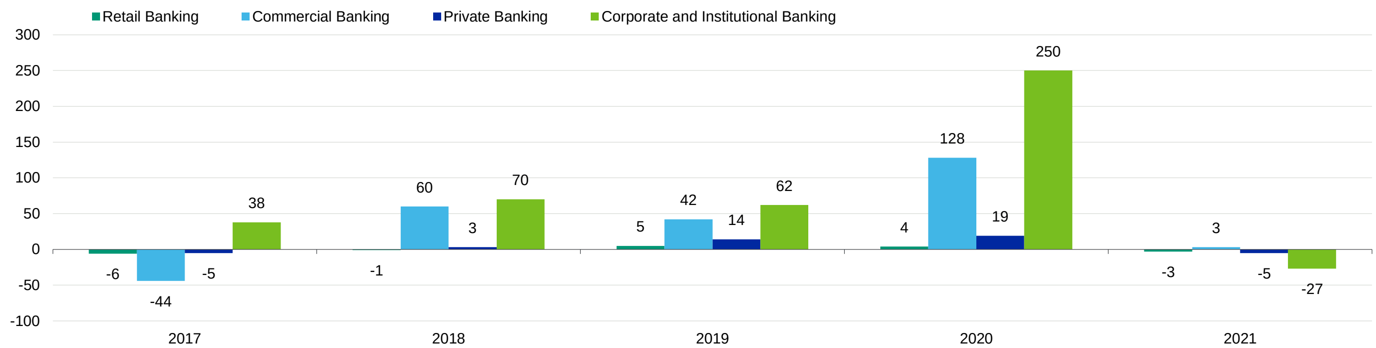
Nonetheless, ABN AMRO recorded numerous large exceptional losses in recent quarters resulting in significant net income volatility. The bank's 2021 results were affected by €306 million provisions for the settlement relating to consumers who were charged too much interest on revolving consumer credits with floating rates. On 19 April 2021, ABN AMRO announced that it had reached a settlement agreement of €480 million with the Dutch Public Prosecution Service in relation to an investigation into possible violation of the Dutch Anti-Money Laundering (AML) and Counter Terrorism Financing (CTF) act between 2014 and 2020. Payment of the settlement resulted in the bank reporting a Q1 2021 loss. These one-off losses, which related to both lending and non-lending credit risk, were testimony to past weaknesses in the bank's risk management, control functions and compliance. However, the bank has taken numerous remedial actions in recent years aimed at moderating its risk appetite and enhancing its internal controls. We expect the ongoing implementation of such improvements and lower risks in its CIB portfolio to gradually reduce ABN AMRO's earnings volatility.

ABN AMRO's impairment charges amounted to €62 million in the first quarter of 2022, equivalent to an annualised cost of risk of 14 basis points (bps) of customer loans, an increase compared to 2021 (-7 bps) but lower than 78 bps in 2020. The releases of provisions recorded on sectorial exposures impacted by Covid-19 restrictions were offset by a management overlay related to the expected negative consequences of the military conflict between Russia and Ukraine. The bank also gave a through-the-cycle guidance for its cost of risk of around 20 bps, slightly lower than the cost of risk of 24 bps in 2019, driven by a wind-down of the riskier CIB non-core activities.

Exhibit 5

Impairment charges turned negative in 2021 after a difficult year in 2020 as a result of the coronavirus outbreak and significant one-offs

Loan-loss impairment charges/gross customer loans (bps)



Source: Company reports and Moody's Investors Service

The bank has limited market risk exposure, and related market risk-weighted assets (RWAs) accounted for around 2% of total RWAs as of the end of March 2022. ABN AMRO focuses on customer-driven activities. However, the bank still undertakes some market-making activities, which are relatively small and driven by its corporate and institutional clients.

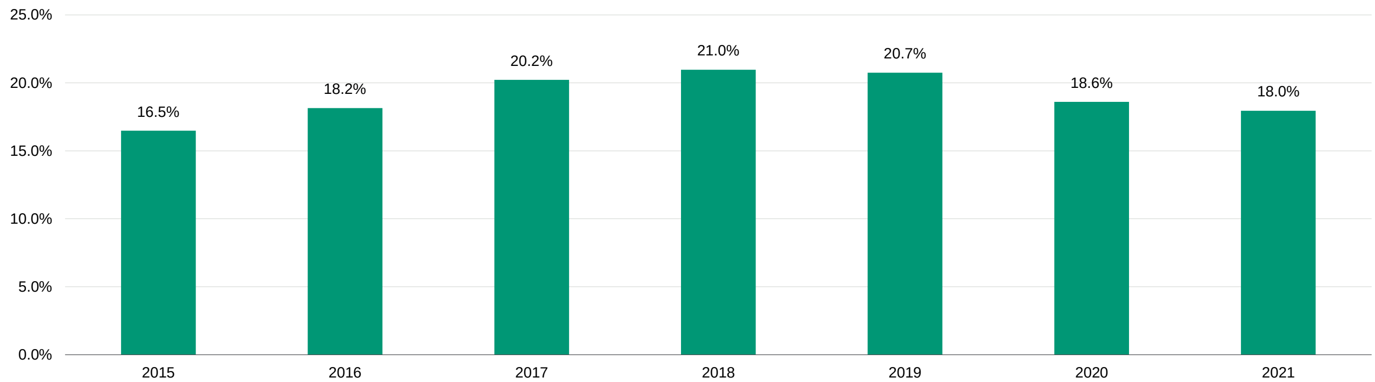
High risk-weighted capitalization, although with higher-than-average nominal leverage

ABN AMRO reported a Common Equity Tier 1 (CET1) ratio of 15.7% as of the end of March 2022 (16.3% at end-2021 and 17.7% at end-2020), which is in line with its main domestic and European peers. The CET1 capital decrease mainly reflects the risk-weighted asset inflation due to model reviews. The bank set a CET1 ratio target at 13% under “Basel IV”, leaving some room for dividends and potentially further share buybacks, which could result in a moderate decline in capitalisation.

Nonetheless, the bank's CET1 ratio is expected to be approximately 16% on a pro-forma “Basel IV” basis as of 31 March 2022 and the bank said that it would consider share buybacks only if the CET1 ratio remained above 15% for the time being, which offers additional comfort to creditors and limits future pressure on capital. ABN AMRO started a €500 million share buyback programme in February 2022 and completed it in May 2022. The bank will also target a pay-out ratio of 50% of reported net profit after Additional Tier 1 coupons and minority interests.

The minimum CET1 regulatory requirement under the Supervisory Review and Evaluation Process (SREP) for 2022 is 9.6%[1]. Thus, ABN AMRO has a solid 6.1 percentage points buffer above its requirement as of end-March 2022. Nonetheless, the Dutch supervisor announced that it will raise the countercyclical buffer (CCyB) to 1% from nil for Dutch exposures from May 2023, which will have an estimated impact of around 75 bps on ABN AMRO's SREP requirement. ABN AMRO reported that it will not make use of IFRS 9 transitional measures embedded in “CRR2 quick fix”.

Exhibit 6
ABN AMRO has high levels of regulatory capital on a risk-weighted basis
Tangible common equity/RWA (in percentage terms)



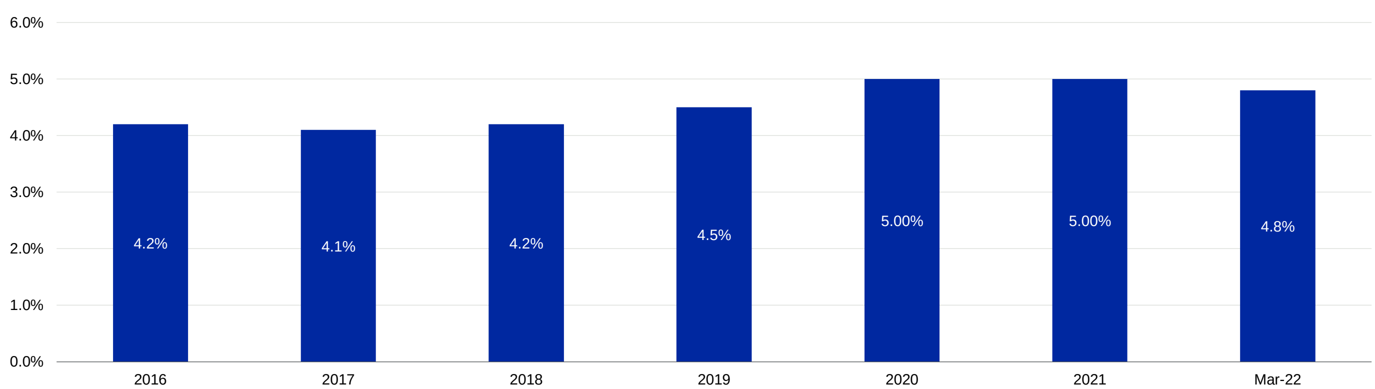
Source: Company reports and Moody's Investors Service

The bank's leverage ratio was 4.8% at end-March 2022 (fully loaded, excluding the impact of the temporary exemption of central bank reserves). The ratio of tangible common equity (TCE)/ total assets was 5.3% as of end-December 2021.

In line with the change in the Banks methodology published on 9 July 2021, we revised our previous view that AT1 securities with a high trigger would provide ABN AMRO Bank N.V. with loss absorption ahead of the point of non-viability. This revision prompted the removal of €2 billion equity credit linked to high trigger AT1 instruments from the group's capital, which was previously added to ABN AMRO's post-failure loss-absorbing instruments under our LGF analysis.

The assigned Capital score is aa3, a reflection of the strong capitalisation of the bank.

Exhibit 7
The bank's leverage has improved
Regulatory Tier 1 leverage ratio (in percentage terms)



Source: Company reports and Moody's Investors Service

Modest structural profitability going forward is commensurate with the bank's reduced risk profile

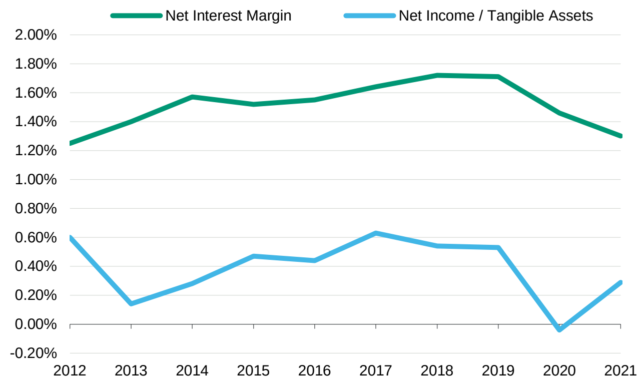
The low interest rate environment and the sale of higher-yielding CIB assets affected ABN AMRO's profitability in the past two years. In addition, the bank recorded numerous large exceptional losses in recent quarters resulting in significant net income volatility. Nonetheless, ABN AMRO's profitability is structurally sound and, although more modest going forward, it will be commensurate with the bank's reduced and more stable risk profile.

In 2021, ABN AMRO reported a net profit of €1.2 billion, versus a net loss of €45 million in 2020, largely driven by provision reversal and despite continuous pressure from declining net interest margins. Deposit margins are under significant pressure and the bank is only partly able to offset this by progressively lowering the thresholds for charging negative rates. Net interest income also decreased by -3.9% in

Q1 2022 versus Q1 2021. We do not expect rising interest rates to have a significantly positive impact on the bank's net interest income in the short term. The bank indicated on the basis of implied forward interest rates that its net interest income could increase by €0.2 billion, or less than 5%, in 2023 solely due to rising interest rate. This interest rate effect could be €0.5 billion in 2024 and €0.6 billion in 2025, all other things remaining unchanged.

Exhibit 8

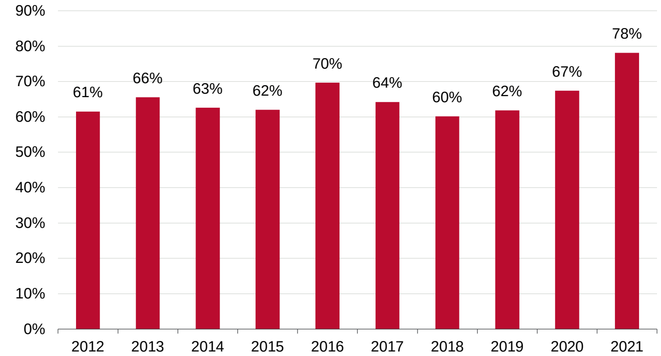
Net interest margins supported net profits until now



Adjusted figures in accordance with Moody's calculations and adjustments.
Source: Company reports and Moody's Investors Service

Exhibit 9

Efficiency efforts brought significant results but one-offs and regulatory compliance staffing bring pressure
Cost-to-income ratio (in percentage terms)



Cost-to-income ratios include regulatory levies. Adjusted figures in accordance with Moody's calculations and adjustments.
Source: Company reports and Moody's Investors Service

The bank drew a total €35 billion of ECB's Targeted longer-Term Refinancing Operations (TLTRO) III as of end-December 2021 with a view of boosting net interest income. The bank expects to benefit from the preferential TLTRO rate of -100 bps for the period from June 2021 to June 2022. We expect that some of the benefits, albeit smaller, could carry on until June 2023 if the ECB raises its key interest rates in the second half of the year. The TLTRO discount's impact on the net interest income amounted to €93 million in 2021 and €44 million in the first quarter of 2022.

Net fees and commissions amounted to €1.7 billion in 2021, increasing by 7% compared to 2020 due to higher asset management fees in the Private Banking segment. The bank targets a cumulative average growth rate of 5-7% of fees and commissions through 2024, despite the pressure stemming from the reduction of CIB activities. ABN AMRO's other income of €803 million in 2021 (versus €449 million in 2020) includes a pre-tax gain of €327 million resulting from the sale and leaseback of the bank's head office.

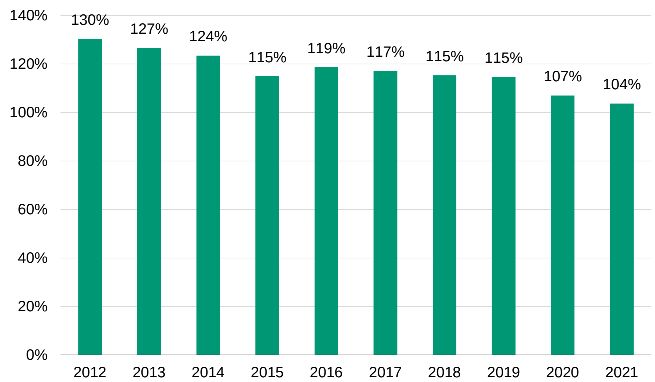
The bank reported increasing operating expenses of €5.8 billion in 2021 (versus €5.25 billion in 2020) mostly due to the anti-money laundering (AML) settlement of €480 million. The bank's reported cost-to-income ratio was 76% in 2021. This is much above the previous targets, which have been revised by the bank since, of 56%-58% by 2020 and less than 55% by 2022. The cost-to-income ratio target was replaced by a cost base target of no more than €4.7 billion by 2024 (the cost base stood at €5.3 billion in 2021, excluding the AML settlement and restructuring costs). The bank has postponed its cost-to-income target indefinitely because of the persistently low interest rates and resulting pressure on margins. The bank's cost-to-income ratio stood at 78% in Q1 2022, notably affected by a €50 million additional provision for the Anti-Money Laundering (AML) remediation programme, wage inflation and higher regulatory levies, the latter being expected to remain elevated until the end of 2023.

The assigned profitability score of ba3 reflects our view of the structural modest but stable profitability of the bank going forward.

Robust liquidity, partly because of its strong private banking franchise

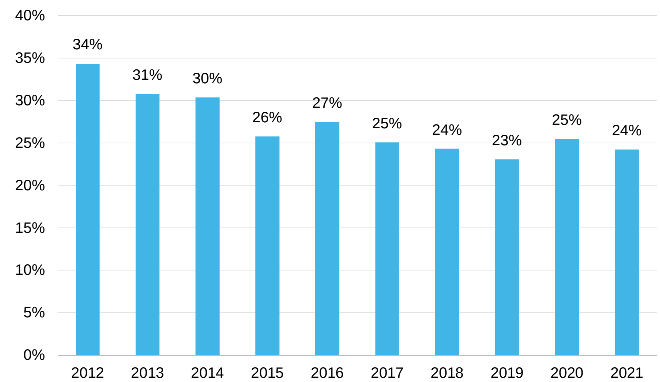
We view ABN AMRO's liquidity as robust, and we expect it to remain so over the coming quarters. As of the end of December 2021, the bank disclosed a loan-to-deposit ratio of 103%, reflective of the strong increase of savings during the lock-down periods. The loan-to-deposit ratios were 114% and 106% at year-ends 2019 and 2020, respectively. This funding position is supported by ABN AMRO's strong franchise in retail banking in the Netherlands, but also in private banking, which generates relatively limited lending and brings substantial deposits. These private banking deposits will remain an important source of funding for ABN AMRO, but we consider them to be more confidence sensitive and less sticky than retail deposits.

Exhibit 10
ABN AMRO's deposit growth allowed to improve the customer funding gap
Gross loans/customer deposits* (in percentage terms)



Note: *Loan-to-deposit ratio under Moody's calculations.
Source: Company reports and Moody's Investors Service

Exhibit 11
Wholesale funding decreased since 2012, despite a spike linked to TLTRO III in 2020
Market funds/tangible banking assets (in percentage terms)



Source: Company reports and Moody's Investors Service

Risks stemming from the reliance on wholesale funding are mitigated by the term structure of the outstanding debt, as well as the adequate liquidity buffer. As of end-December 2021, the liquidity buffer of €101.5 billion represented more than five times all the wholesale debt securities maturing within one year, which we consider a strong coverage of liquidity risk. The bank's liquidity coverage ratio was 168% on average during the twelve months ending December and net stable funding ratio at end-December 2021 was above 100%, as reported by the bank.

All these factors are reflected in our combined Liquidity score of baa1. The score also reflects the abundant source of cheap funding and liquidity available via the Long-term Refinancing Operations (TLTROs) by the ECB. We believe these amounts are largely deposited back at the ECB (to take advantage of favorable terms offered on funding rate), rather than being recycled for investment purposes. At the end of December 2021, the bank's TLTRO take-up amounted to €35 billion and we have consequently deducted the amount redeposited at the ECB from both the Market Funds ratio and the Liquid Resources ratio in our scorecard. The Market Funds ratio was 24% at year-end 2021, but fell to 17% if adjusted for the TLTRO redeposited at the central bank. The Liquid Resources ratio was 32% at the same date, falling to 26% with the adjustment.

ESG considerations

ABN AMRO BANK N.V.'s ESG Credit Impact Score is Moderately Negative CIS-3

Exhibit 12
ESG Credit Impact Score

CIS-3

Moderately Negative

For an issuer scored CIS-3 (Moderately Negative), its ESG attributes are overall considered as having a limited impact on the current rating, with greater potential for future negative impact over time. The negative influence of the overall ESG attributes on the rating is more pronounced compared to an issuer scored CIS-2.

Source: Moody's Investors Service

ABN AMRO's ESG Credit Impact Score is moderately negative (**CIS-3**), reflecting the limited credit impact of environmental and social factors on the rating to date, and the moderately negative impact of governance factors because of several failures in the bank's risk management and control functions, resulting in substantial losses. Remediation is continuing and has been accelerated by the new management team.

Exhibit 13
ESG Issuer Profile Scores

ENVIRONMENTAL	SOCIAL	GOVERNANCE
E-3	S-4	G-3
Moderately Negative	Highly Negative	Moderately Negative

Source: Moody's Investors Service

Environmental
ABN AMRO faces moderate exposure to environmental risks primarily because of its portfolio exposure to carbon transition risk. In line with its peers, ABN AMRO is exposed to mounting business risks and stakeholder pressure to meet more demanding carbon transition targets. ABN AMRO is further developing its climate risk management and reporting frameworks, and aims to reduce its exposure to certain carbon-intensive sectors over time.

Social
ABN AMRO faces high industrywide social risks related to regulatory risk and litigation exposure, and the bank is required to meet high compliance standards. The Dutch supervisor's high focus on mis-selling and misrepresentation has led to the bank recording significant losses, which its Dutch peers also incurred to various degrees. ABN AMRO has developed policies and procedures to address these risks. ABN AMRO's high cyber and personal data risks are mitigated by technology solutions and organizational measures to prevent data breaches.

Governance
ABN AMRO's governance risks are moderate. The bank has reported numerous failures in its risk management and controls, and has had major shortcomings in compliance and reporting. These failures resulted in substantial losses related to both lending and non-lending credit risks in the past two years. The bank incurred losses in its CIB business, despite the shift in focus to select activities aimed at reducing the risk profile of the business. A new management team has accelerated the execution of the strategic plan and the completion of the remediation plan on the bank's controls framework. ABN AMRO is majority owned by the Dutch state. However, the large presence of independent administrators, and the domestic legal and regulatory framework mitigate existing governance risks.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Loss Given Failure (LGF) analysis
ABN AMRO is subject to the European Union Bank Recovery and Resolution Directive, which we consider to be an Operational Resolution Regime. In estimating loss given failure, we assume residual TCE of 3% and losses post-failure of 8% of tangible banking assets, a proportion of deposits considered junior of 26%, a 25% run-off in junior wholesale deposits, a 5% run-off in preferred deposits and assign a 25% probability to deposits being preferred to senior unsecured debt. These are in line with our standard assumptions. All Additional Tier 1 (AT1) instruments are included in our LGF analysis, including the €2 billion of high-trigger AT1 instruments as of year-end 2021.

Under Moody's Advanced forward-looking LGF analysis, the portion of ABN's TLTRO drawdowns which we estimate is redeposited at the ECB is deducted from the bank's tangible banking assets, thereby reducing the inflationary impact of TLTRO on the bank's balance-sheet. We assume that the portion of borrowed funds re-deposited at the ECB will be running off in the next 18 months. This adjustment does not result in a change in ratings uplift.

ABN AMRO's deposits are likely to face very low loss given failure because of the loss absorption provided by the combination of substantial deposit volume and subordination. This results in a two-notch uplift from the Adjusted BCA.

ABN AMRO's senior unsecured debt is also likely to face very low loss given failure. This is supported by the combination of senior debt's own volume and the amount of subordination. This results in a two-notch uplift from the Adjusted BCA.

For subordinated and junior securities, our LGF analysis indicates high loss given failure because of the small volume of debt and limited protection from more subordinated instruments and residual equity. We also incorporate additional notching for junior subordinated and preference share instruments, reflecting the coupon features.

Government support considerations

Since we consider ABN AMRO to be a systemically important bank in the Netherlands, we believe there is a moderate probability of government support, resulting in a one-notch uplift for both the long-term deposit rating of A1 and senior unsecured debt rating of A1.

For subordinated and other junior securities, we believe that the likelihood of government support is low and these ratings do not include any uplift. Junior securities also include additional downward notching from the Adjusted BCA, reflecting coupon suspension risk ahead of a potential failure.

Counterparty Risk Ratings (CRRs)

ABN AMRO's CRR is Aa3/Prime-1

The CRR for ABN AMRO, before government support, is three notches higher than the Adjusted BCA of baa1, based on the level of subordination to CRR liabilities in the bank's balance sheet, and assuming a nominal volume of such liabilities. The CRR also benefits from one notch of government support, in line with our support assumptions on deposits and senior unsecured debt.

Counterparty Risk (CR) Assessment

ABN AMRO's CR Assessment is Aa3(cr)/Prime-1(cr)

Before government support, the CR Assessment is positioned three notches above the Adjusted BCA of baa1, based on the buffer against default provided to the senior obligations represented by subordinated instruments subordinated to the senior obligations represented by the CR Assessment.

The CR Assessment also benefits from one notch of government support, in line with our support assumptions on deposits and senior unsecured debt. This reflects our view that any support provided by governmental authorities to a bank, which benefits senior unsecured debt or deposits, is very likely to benefit operating activities and obligations reflected by the CR Assessment as well, consistent with our belief that governments are likely to maintain such operations as a going concern to reduce contagion and preserve a bank's critical functions.

Methodology and scorecard

About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 14

ABN AMRO Bank N.V.

Macro Factors							
Weighted Macro Profile	**Strong +**	**100%**					

Factor	**Historic Ratio**	**Initial Score**	**Expected Trend**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Solvency						
Asset Risk						
Problem Loans / Gross Loans	2.8%	a2	↔	baa1	Sector concentration	Non lending credit risk
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - fully loaded)	18.0%	aa2	↔	aa3	Expected trend	
Profitability						
Net Income / Tangible Assets	0.3%	ba2	↔	ba3	Expected trend	Earnings quality
Combined Solvency Score		a2		baa1		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	24.2%	baa1	↔	baa2	Deposit quality	
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	32.5%	a2	↔	a3	Asset encumbrance	
Combined Liquidity Score		a3		baa1		
Financial Profile				baa1		
Qualitative Adjustments				Adjustment		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				Aaa		
BCA Scorecard-indicated Outcome - Range				a3 - baa2		
Assigned BCA				baa1		
Affiliate Support notching				0		
Adjusted BCA				baa1		

Balance Sheet	**in-scope (EUR Million)**	**% in-scope**	**at-failure (EUR Million)**	**% at-failure**
Other liabilities	107,945	27.1%	133,502	33.5%
Deposits	250,553	62.8%	224,997	56.4%
Preferred deposits	185,409	46.5%	176,139	44.1%
Junior deposits	65,144	16.3%	48,858	12.2%
Senior unsecured bank debt	13,200	3.3%	13,200	3.3%
Junior senior unsecured bank debt	6,000	1.5%	6,000	1.5%
Dated subordinated bank debt	7,317	1.8%	7,317	1.8%
Preference shares (bank)	2,000	0.5%	2,000	0.5%
Equity	11,970	3.0%	11,970	3.0%
Total Tangible Banking Assets	398,985	100.0%	398,985	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	22.4%	22.4%	22.4%	22.4%	3	3	3	3	0	a1
Counterparty Risk Assessment	22.4%	22.4%	22.4%	22.4%	3	3	3	3	0	a1 (cr)
Deposits	22.4%	6.8%	22.4%	10.1%	2	3	2	2	0	a2
Senior unsecured bank debt	22.4%	6.8%	10.1%	6.8%	2	1	2	2	0	a2
Junior senior unsecured bank debt	6.8%	5.3%	6.8%	5.3%	0	0	0	0	0	baa1
Dated subordinated bank debt	5.3%	3.5%	5.3%	3.5%	-1	-1	-1	-1	0	baa2
Non-cumulative bank preference shares	3.5%	3.0%	3.5%	3.0%	-1	-1	-1	-1	-2	ba1

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	a1	1	Aa3	Aa3
Counterparty Risk Assessment	3	0	a1 (cr)	1	Aa3(cr)	
Deposits	2	0	a2	1	A1	A1
Senior unsecured bank debt	2	0	a2	1	A1	A1
Junior senior unsecured bank debt	0	0	baa1	0	Baa1	Baa1
Dated subordinated bank debt	-1	0	baa2	0	Baa2	Baa2
Non-cumulative bank preference shares	-1	-2	ba1	0	Ba1 (hyb)	

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Investors Service

Ratings

Exhibit 15

Category	Moody's Rating
ABN AMRO BANK N.V.	
Outlook	Stable
Counterparty Risk Rating	Aa3/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	baa1
Adjusted Baseline Credit Assessment	baa1
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
Issuer Rating	A1
Senior Unsecured	A1
Junior Senior Unsecured	Baa1
Junior Senior Unsecured MTN	(P)Baa1
Subordinate	Baa2
Pref. Stock Non-cumulative -Dom Curr	Ba1 (hyb)
Commercial Paper -Dom Curr	P-1
Other Short Term	(P)P-1

Source: Moody's Investors Service

Endnotes

1 The 9.6% CET1 requirement includes 4.50% (Pillar 1), 1.1% of Pillar 2 requirement, 2.5% of capital conservation buffer and 1.5% Other Systemically Important Institutions (OSII) buffer

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