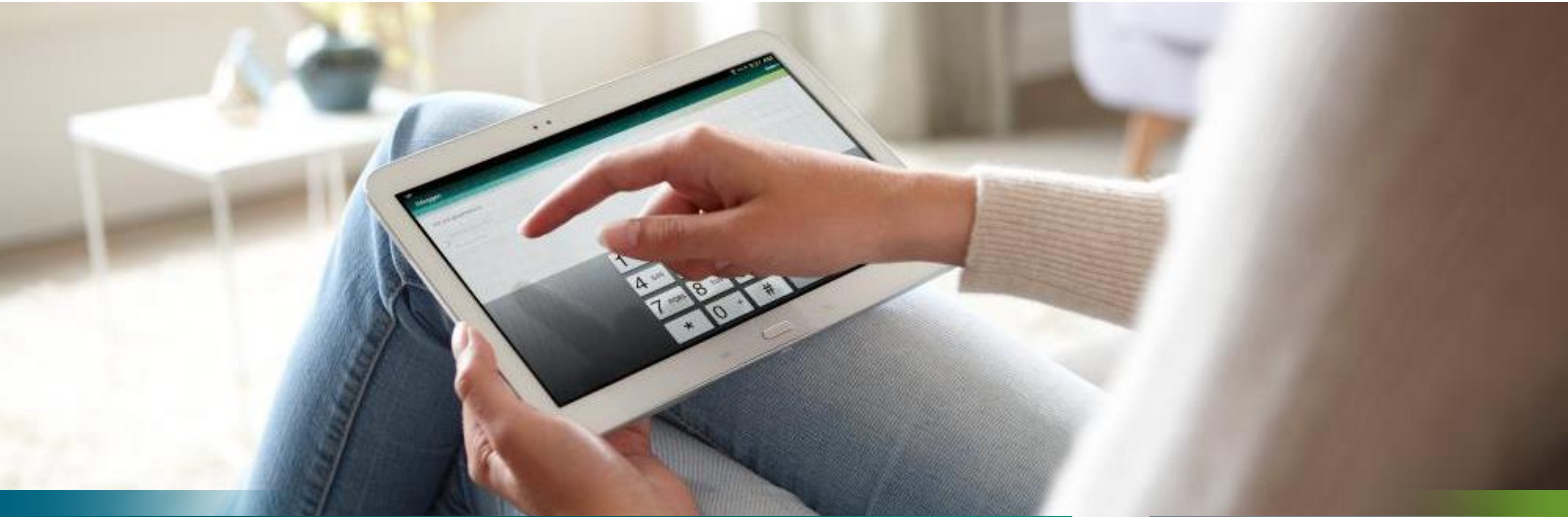
ABN·AMRO



Q1 2016 results

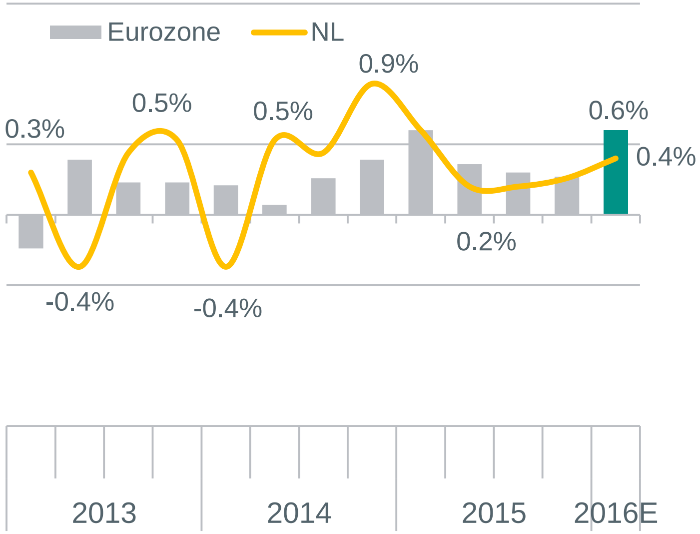
analyst and investor call presentation

Investor Relations
11 May 2016

Dutch economic indicators (1/2)

GDP

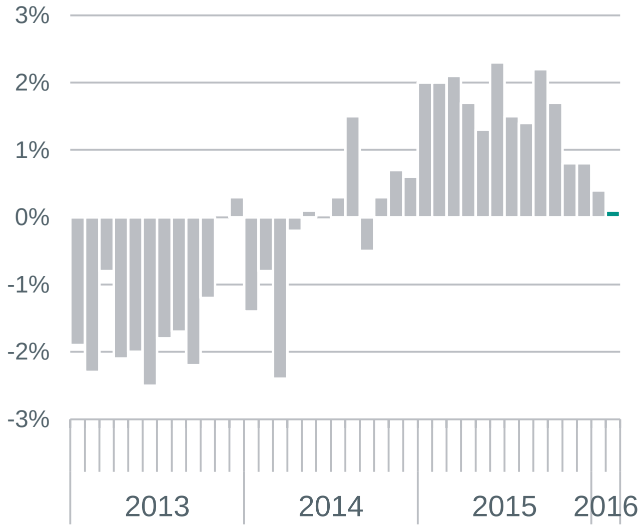
Q-o-Q, source Thomson Reuters Datastream, CBS (Statistics Netherlands)



- GDP growth Q1 is expected to be slightly better than Q4 2015
- Domestic investment did well and exports rose further

Consumer spending

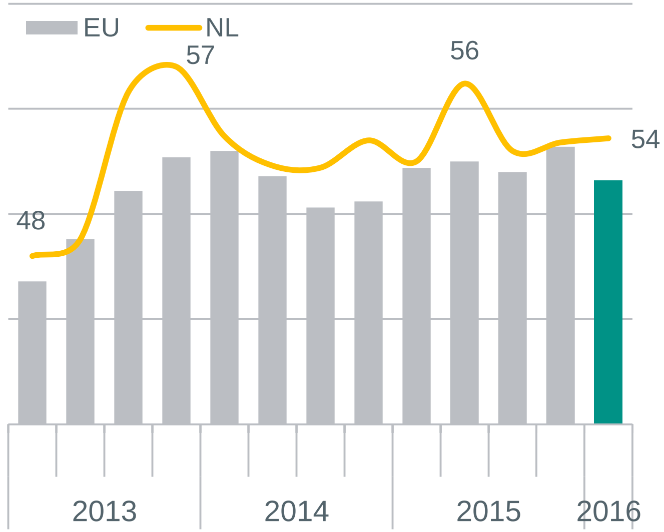
% change compared with same month year ago, CBS



- Consumer spending clearly improved since mid 2014
- Growth rate lower in the last couple of months due to a mild winter

PMI

PMI indices (end of period), source: Markit

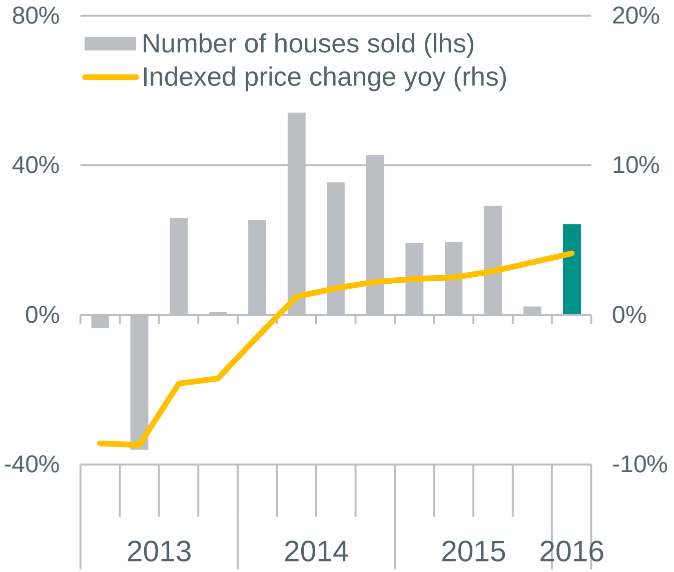


- PMI pointing to expansion since mid 2013 (>50)
- Dutch PMI outperformed the Eurozone PMI in Q1 2016

Dutch economic indicators (2/2)

House prices & houses sold

yoy change in avg. price houses sold and no. houses sold, CBS

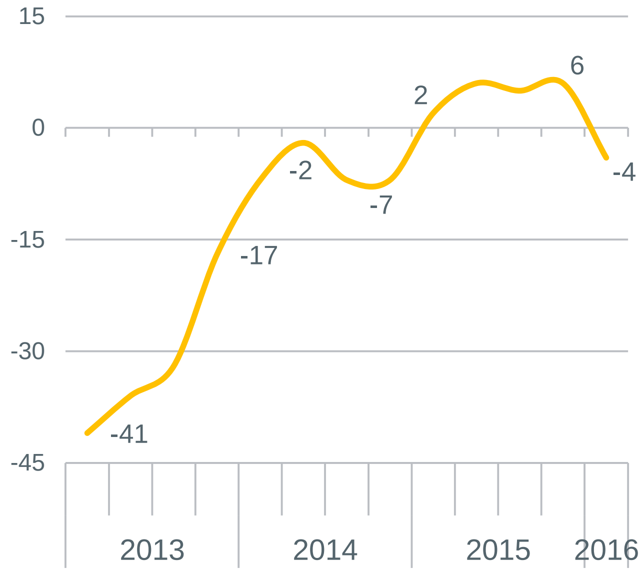


Housing market further improved

- Number of houses sold +24.2% vs. Q1 2015
- Prices up by 4.1% vs. Q1 2015

Dutch consumer confidence

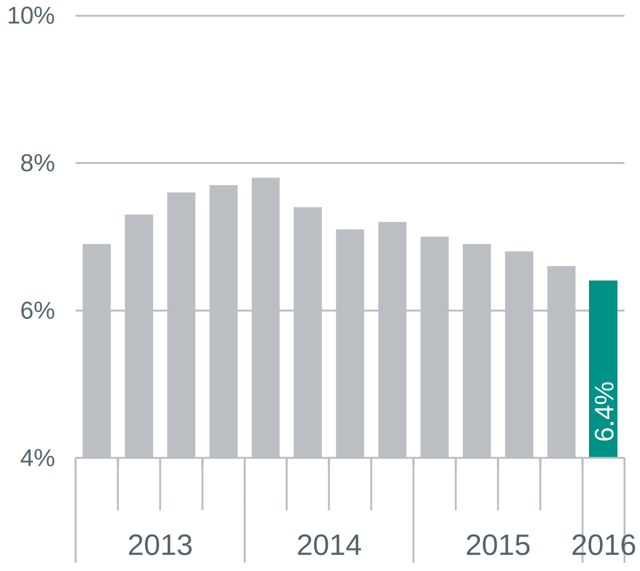
The Netherlands, seasonally adjusted confidence (end of period) (long term average is approx. -8), source CBS



- -4 in Q1 which is significantly above the lows in 2013 and the long term average of -8
- April improved again to +1
- Mainly due to a more positive assessment of the economic climate

Unemployment

The Netherlands (end of period), source: CBS



- Decline in unemployment since begin 2014
- Improved further in Q1 due to a rise in number of jobs and to a lesser extent to people that left the labour market

Q1 2016 highlights

Result with very low impairments while regulatory levies increased

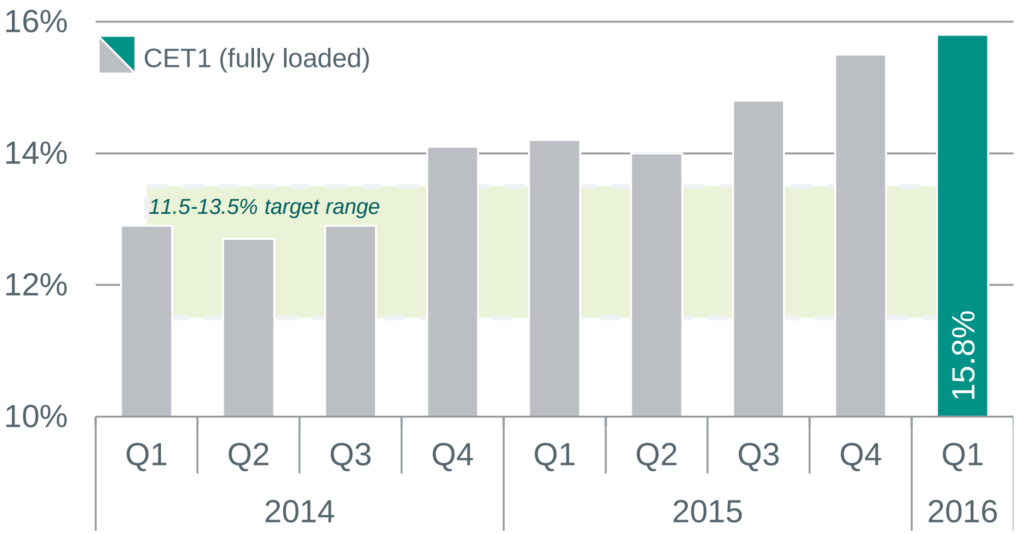
- EUR 475m underlying net profit, down 13% vs Q1 2015; EPS EUR 0.49 vs. EUR 0.58 for Q1 2015
- NII stable; fees down 7% due to market volatility and lower CVA/DVA/FVA results in other income
- Expenses up 8% due to an increase in regulatory levies.[1] Personnel expenses remained stable
- Impairments almost nil, helped by an IBNI release of EUR 81m

- Realisation of targets largely on track:
  - ROE at 11.1%
  - Fully-loaded CET1 at 15.8%
  - Cost/income at 66.9%
- Including full year levies[2] (estimated around EUR 265m pre-tax) divided equally over the quarters:
  - ROE at 11.5%
  - Cost/income at 65.3%

Note(s):
1. *Regulatory levies in Q1 were EUR 77m (pre tax) related to the Dutch Single Resolution Fund (full year amount including a refund on the 2015 National Resolution Fund payment) and EUR 21m (pre tax) related to the quarterly booking of the implemented Deposit Guarantee Scheme*
2. *Dutch Single Resolution Funds (SRF) recorded in Q1, (European) Deposit Guarantee Scheme (DGS) recorded in each quarter and Bank tax to be recorded in Q4*

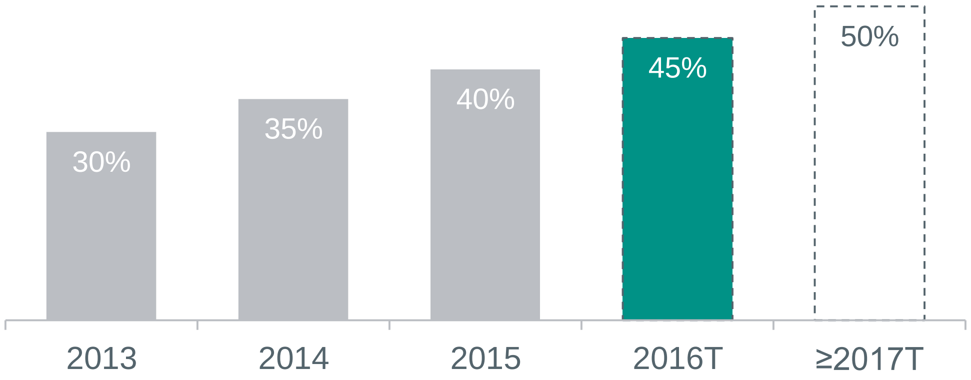
CET1 fully loaded capital target and dividend pay-out target

Steady improvement in CET1



Steadily increasing dividend

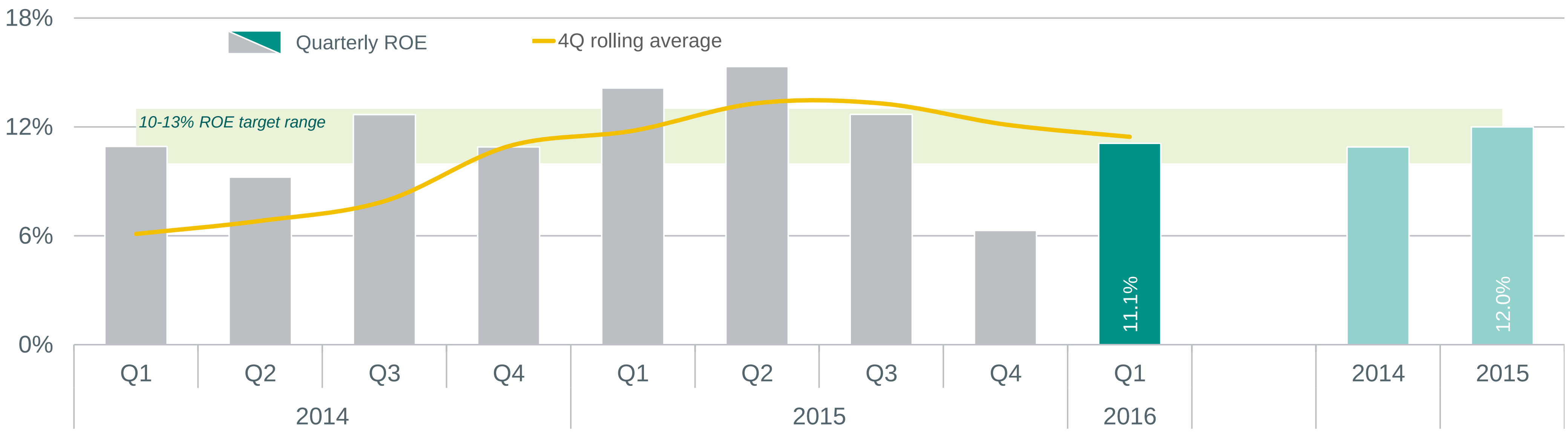
Dividend pay-out ratio



- High dividend payment capacity underpinned by strong ROE track record and moderate balance sheet growth
- Capital position is strong and to be re-assessed once there is more clarity on regulatory proposals
- Fully-loaded Leverage Ratio at 3.7%; ≥4% ambition by 2018

ROE target

ROE development

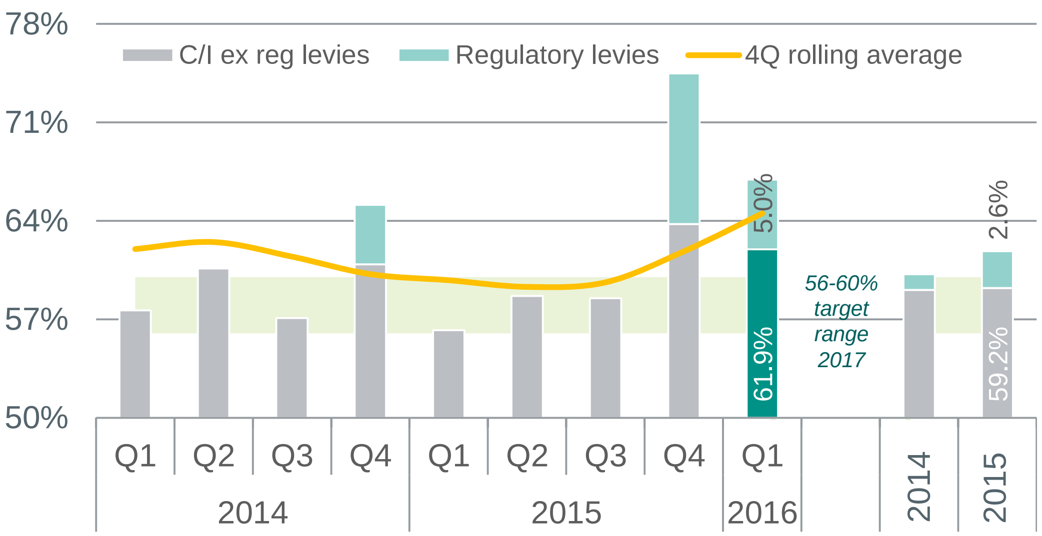


- ABN AMRO is generating an attractive ROE
- Q1 2016 ROE at 11.1% and was impacted by regulatory levies[1]

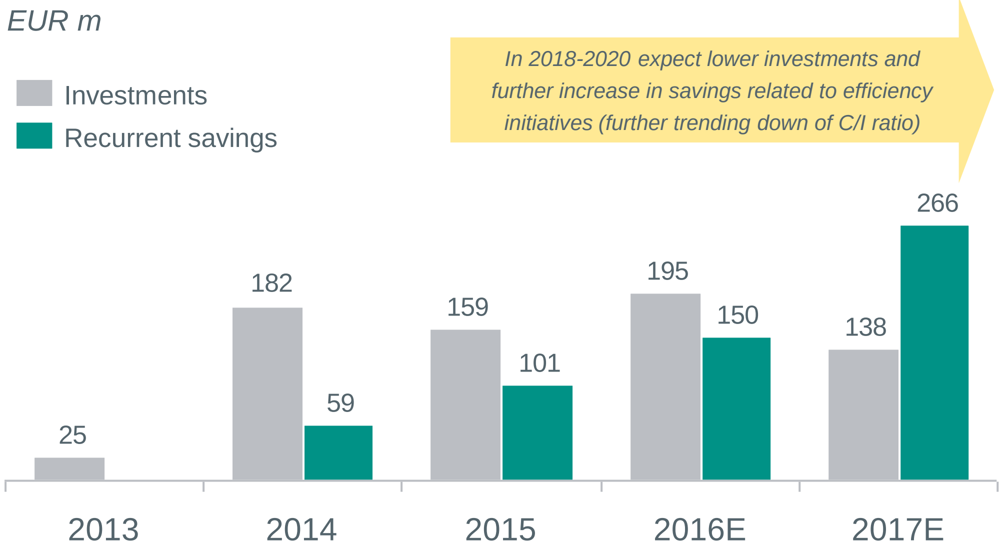
Note(s):
1. Q1 2016 ROE of 11.5% when full year regulatory levies of estimated around EUR 265m (pre-tax) had been divided equally over the quarters

Cost/income and identified levers for further efficiency improvements

Cost/income ratio above target range 2017



TOPS2020 and Retail Digitalisation[1]



- Q1 2016 C/I ratio was 66.9%, including 5 percentage points due to regulatory levies
- Two programmes in implementation, TOPS2020 and Retail Digitalisation:
  - on track to deliver further efficiencies and important additional process and client benefits, e.g. more agile IT and improved customer experience
  - recurrent savings exceed investments as from 2017

Note(s):
1. Investments and cost savings shown pre-tax

Results

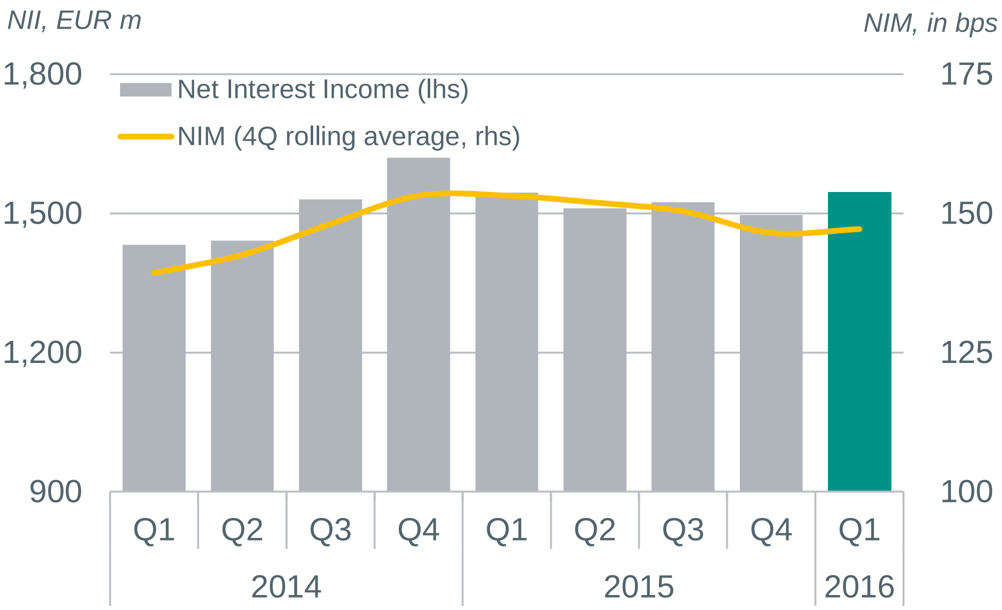
Q1 impacted by higher regulatory levies and lower income largely offset by lower impairments

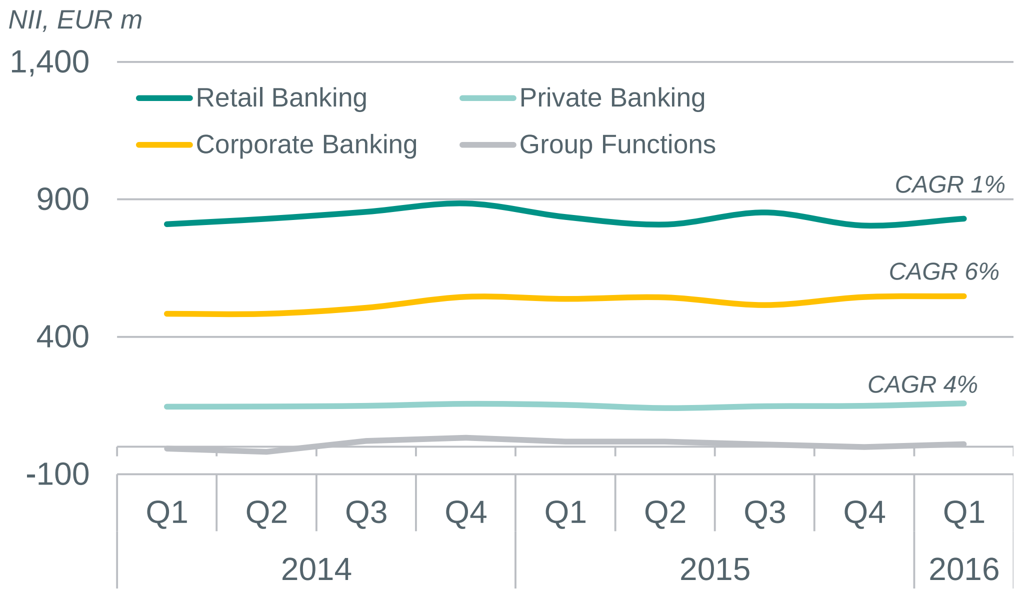
EUR m	Q1 2016	Q1 2015	Delta	2015	2014	Delta
Net interest income	1,545	1,545	*0%*	6,076	6,023	*1%*
Net fee and commission income	435	470	*-7%*	1,829	1,691	*8%*
Other operating income	-10	154		550	341	*61%*
Operating income	**1,971**	**2,168**	***-9%***	**8,455**	**8,055**	***5%***
Operating expenses	1,319	1,219	8%	5,228	4,849	8%
Operating result	**651**	**949**	***-31%***	**3,227**	**3,206**	***1%***
Impairment charges	2	252	*-99%*	505	1,171	*-57%*
Income tax expenses	175	154	*14%*	798	484	*65%*
Underlying profit for the period	**475**	**543**	***-13%***	**1,924**	**1,551**	***24%***
Special items and divestments					-417	
Reported profit for the period	**475**	**543**	***-13%***	**1,924**	**1,134**	***70%***
Underlying return on avg. equity (%)	11.1%	14.1%		12.0%	10.9%	
- incl. levies pro-rata[1] (%)	*11.5%*	*12.9%*				
Underlying cost/income ratio (%)	66.9%	56.2%		61.8%	60.2%	
- incl. levies pro-rata[1] (%)	*65.3%*	*58.7%*				
Net interest margin (bps)	151	148		146	153	
Underlying cost of risk (bps)	0	38		19	45	
Underlying earnings per share[2] (EUR)	0.49	0.58		2.03	1.65	
Reported earnings per share[2] (EUR)	0.49	0.58		2.03	1.21	
Dividend per share[3] (EUR)	-	-		0.81	0.43	

Note(s):
1. *Including the full year impact of levies (estimated around EUR 265m pre-tax) allocated equally over the year. These levies are the Single Resolution Funds (SRF) recorded in Q1, (European) Deposit Guarantee Scheme (DGS) recorded in each quarter and Bank tax to be recorded in Q4*
2. *Earnings consist of underlying/reported net profit excluding reserved payments for AT 1 Capital securities and results attributable to non-controlling interests*
3. *Dividend is based on reported net profit excluding net reserved coupons for AT1 capital securities and results attributable to non-controlling interests*

Interest income

Interest income remained resilient

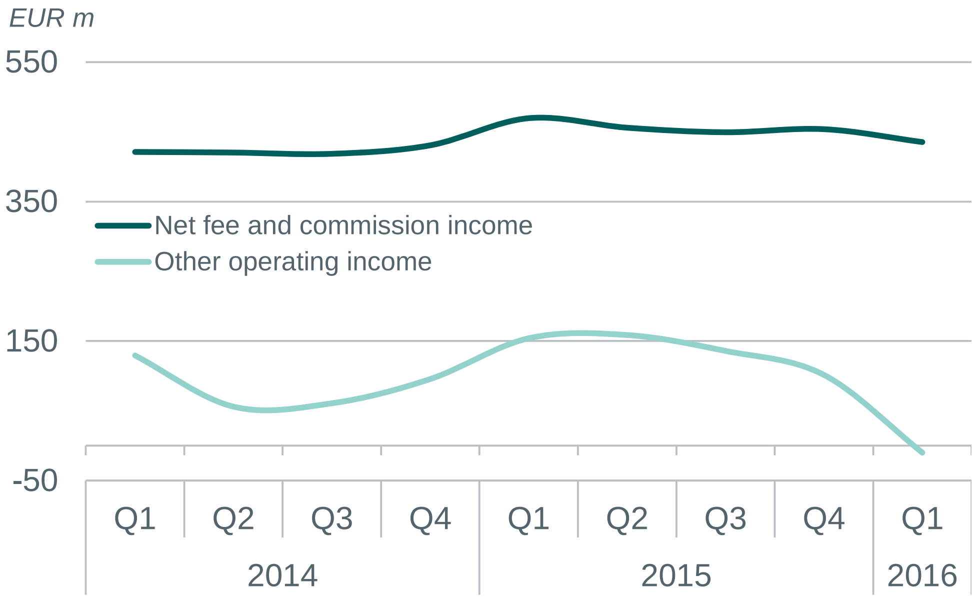




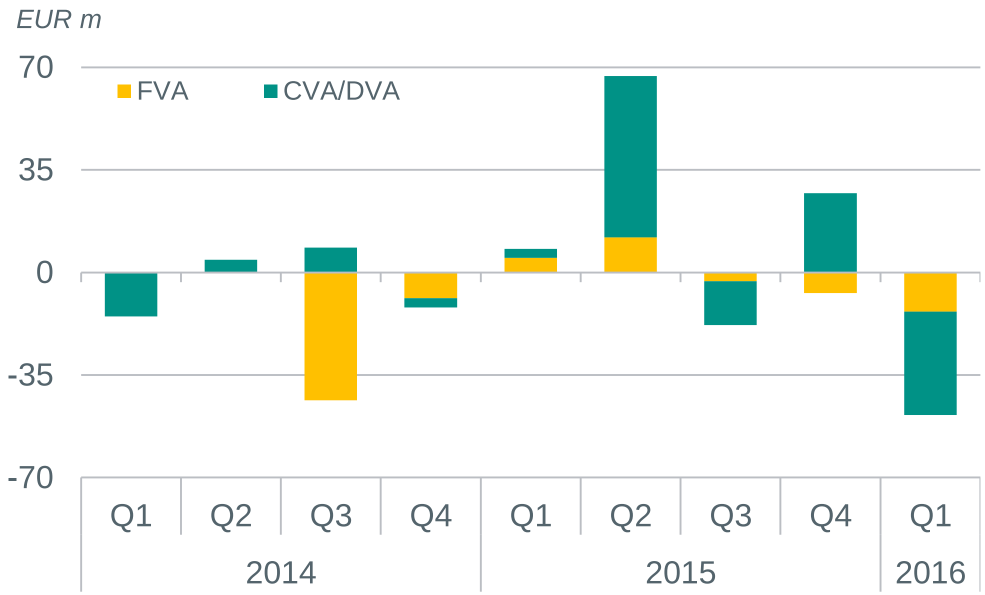
- NII remained more or less stable around EUR 1.5bn over the past quarters
- NII unchanged vs. Q1 2015 and slightly increased versus Q4 2015 as the previous quarter was impacted by one-off items of approx. EUR 50m
- Mortgage and corporate loan margins improved, average volumes decreased for almost all loan types
- Deposit margin and volume increased

Net Fee and Other operating income

Fee income remained stable over time



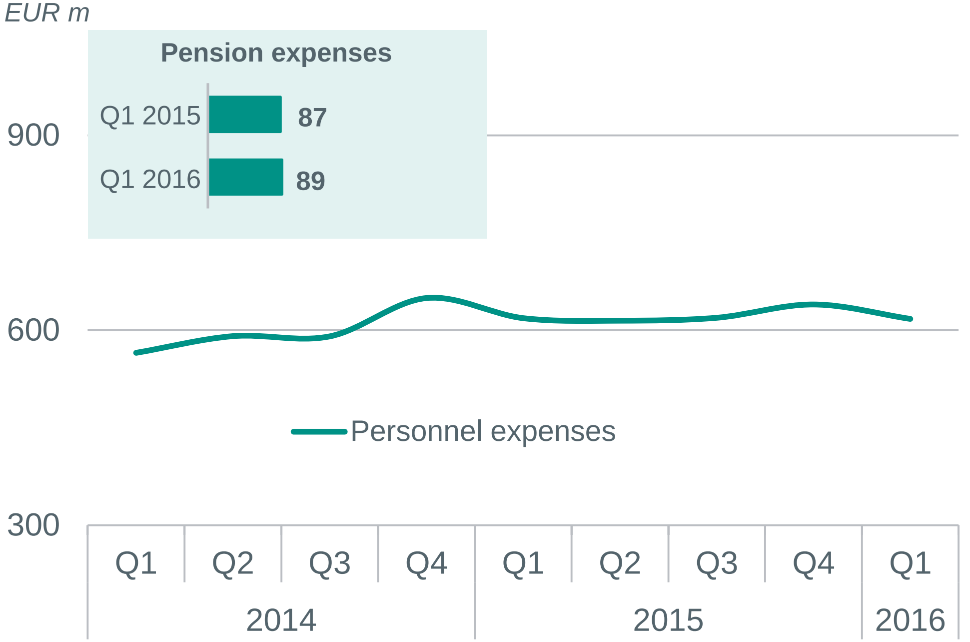
Volatile CVA, DVA and FVA effects



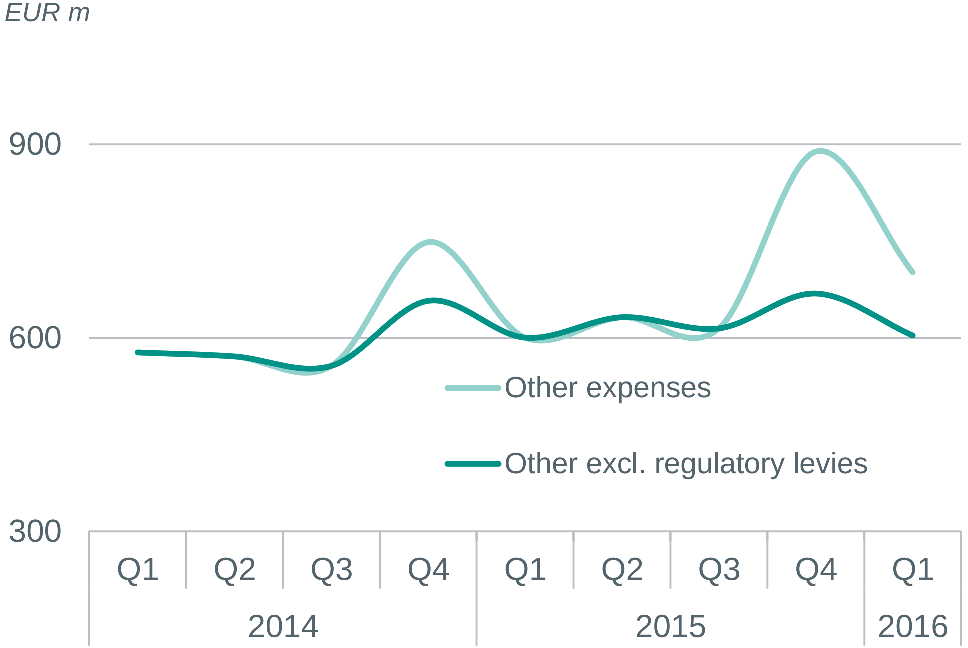
- Fee income down versus Q1 2015 in all business segments, primarily due to market volatility
- Other operating income decreased to EUR -10m, driven by lower results in CVA/DVA/FVA, Equity Participations and hedge accounting

Expenses

Personnel expenses



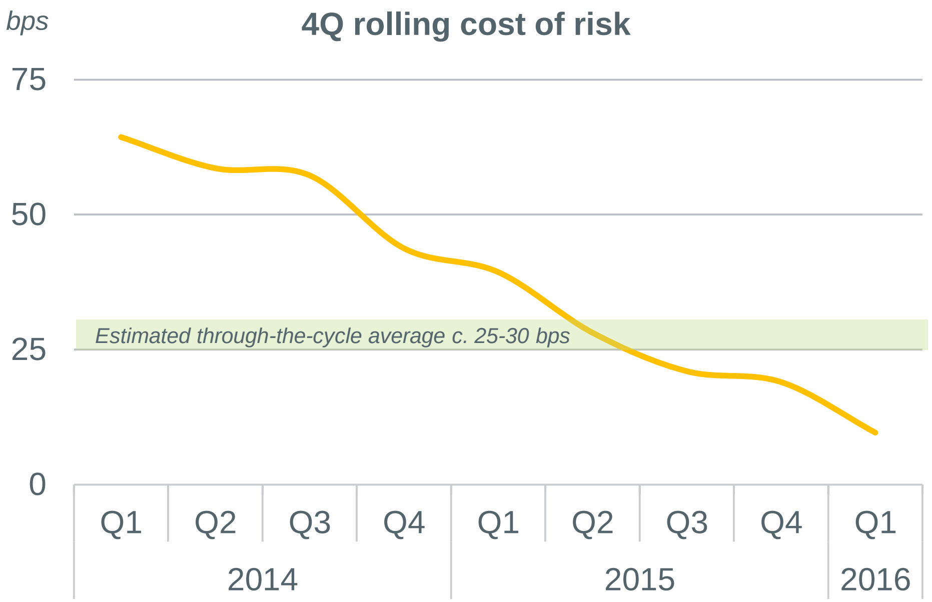
Other expenses

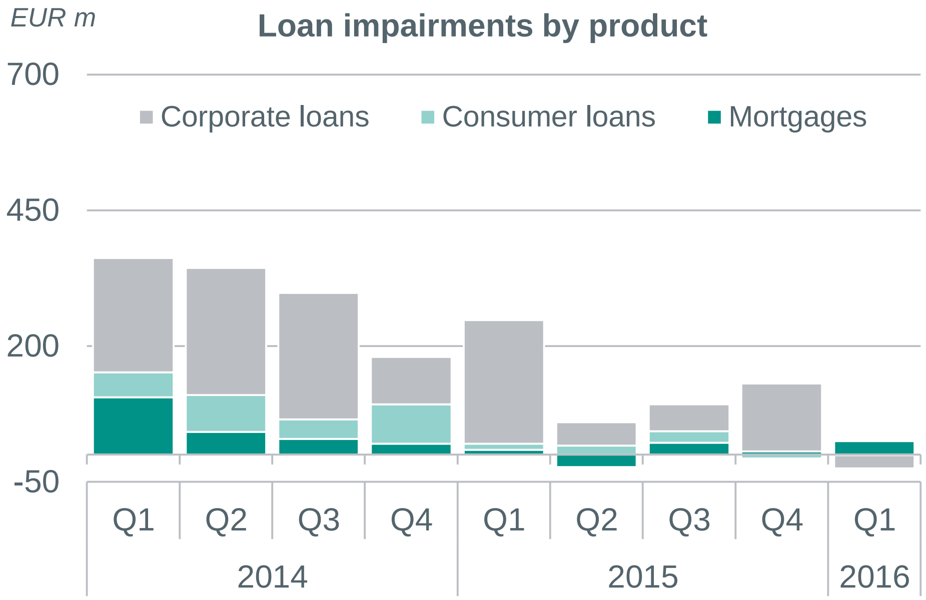


- Expenses up 8% compared to Q1 2015, caused by EUR 98m regulatory levies
- Personnel expenses at EUR 617m, in line with Q1 2015

Loan impairments

Loan impairments continue to trend downwards

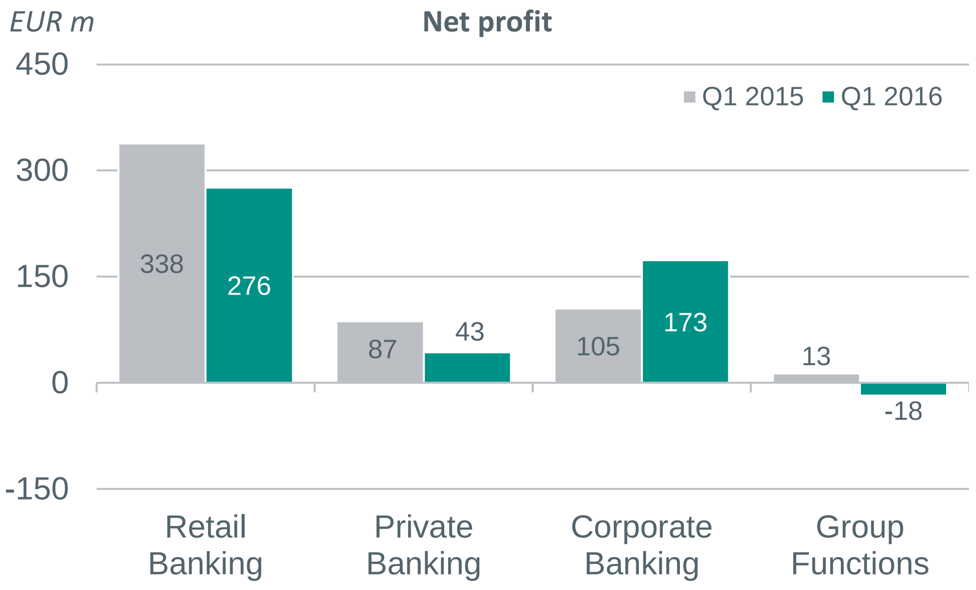


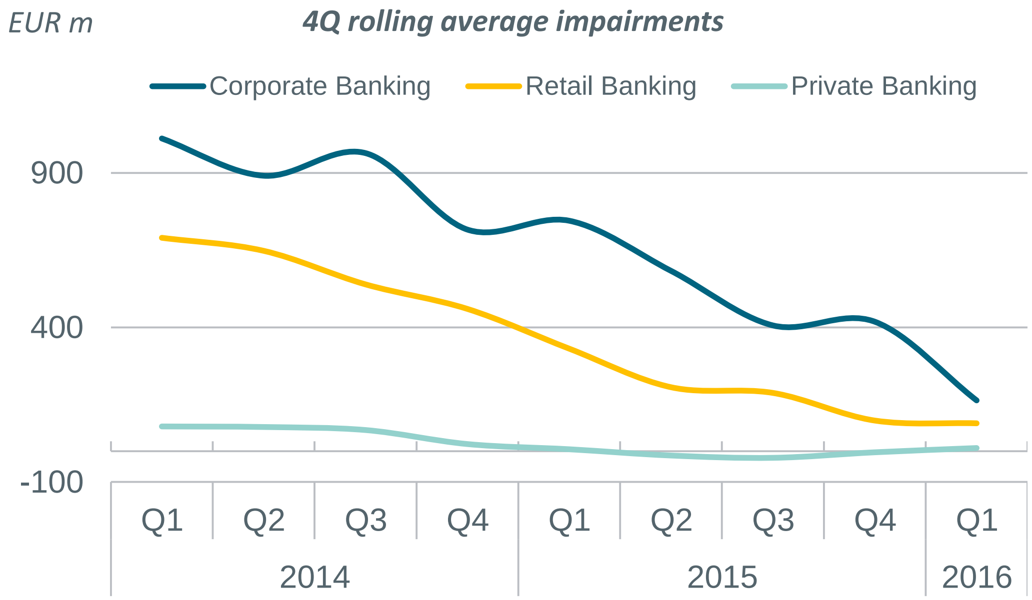


- Downward trend of underlying cost of risk started in 2014 and continued in line with the improvements in the Dutch economy and housing market
- Cost of Risk declined to 0bps in Q1 2016
- Impairments also benefitted from IBNI releases of EUR 81m in Q1 compared to an IBNI release of EUR 31m in Q1 2015

Segment results

Segment results impacted by higher regulatory levies and lower income





Result in each business was impacted by higher regulatory levies, lower fee income and a decrease in other operating income:

- Retail Banking down 18%
- Private Banking profit down 50% compared to a very good Q1 2015
- Corporate Banking up 65% due to significantly lower impairments

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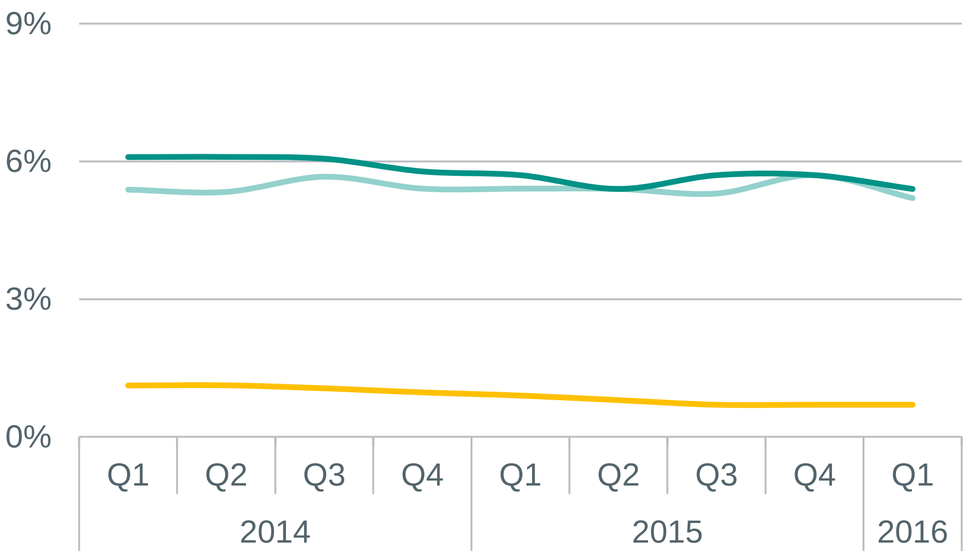
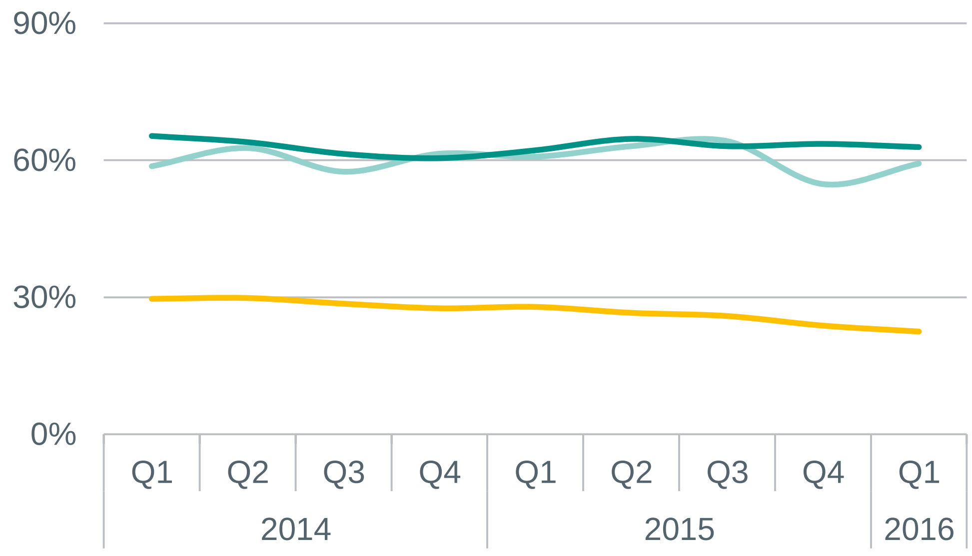
Risk ratios

Impaired ratio



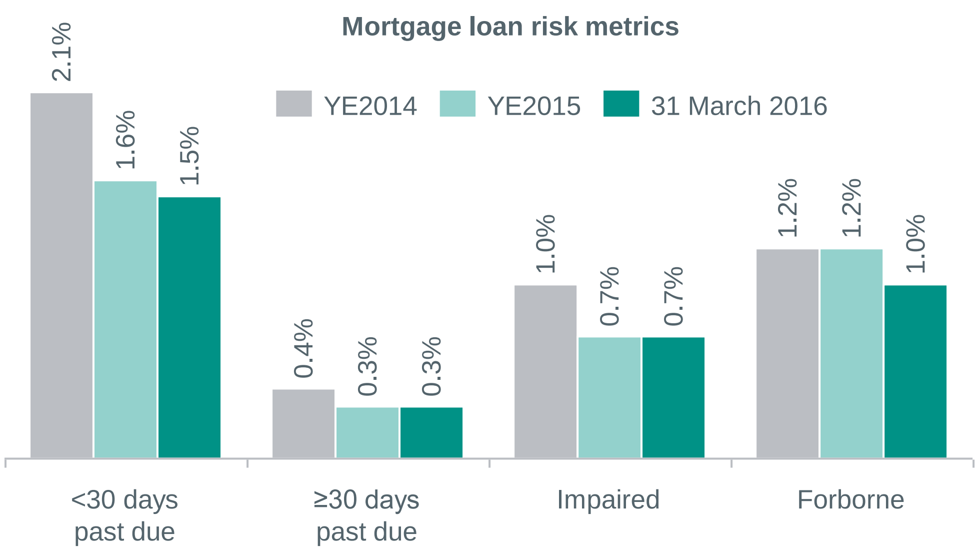
Coverage ratios



- In Q1 2016 the impaired ratio improved for the customer loan book to 2.5% (2.7% YE2015)
  - Mortgage portfolio still low at 0.7%
  - Consumer and Corporate loan portfolios both showed an improvement vs. Q4
- Coverage ratio was 56.2% at 31 March 2016 (55.8% at YE2015)
- The mortgage coverage ratio decreased to 22.5% at 31 March 2016 as a result of a lower impaired portfolio and slightly lower allowances for impairments

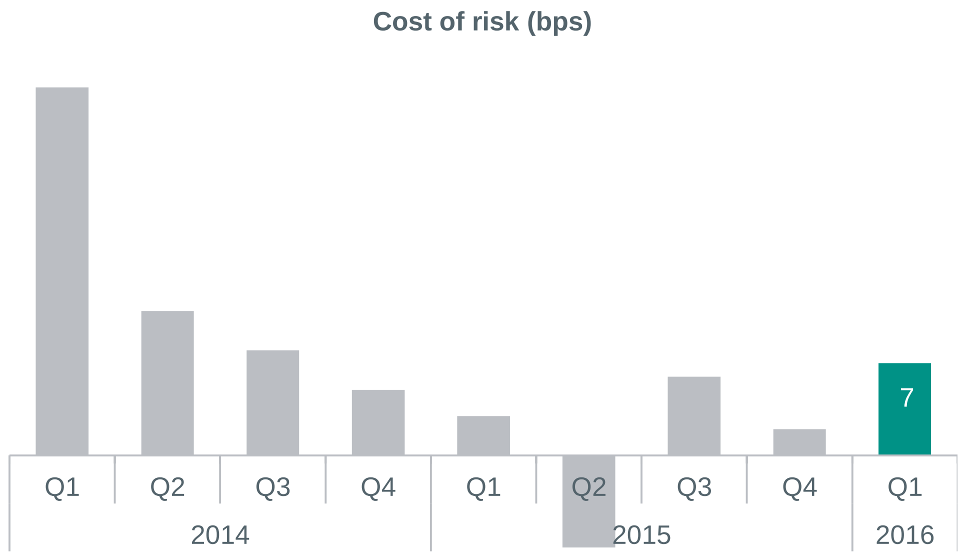
Mortgage book showed resilience and continues to perform well

Risk metrics mortgage book improve



- Mortgage risk metrics further improved in line with improvements seen in the Dutch housing market and economy
- Outstanding mortgage volume stable at EUR 147bn in Q1

Low mortgage impairments

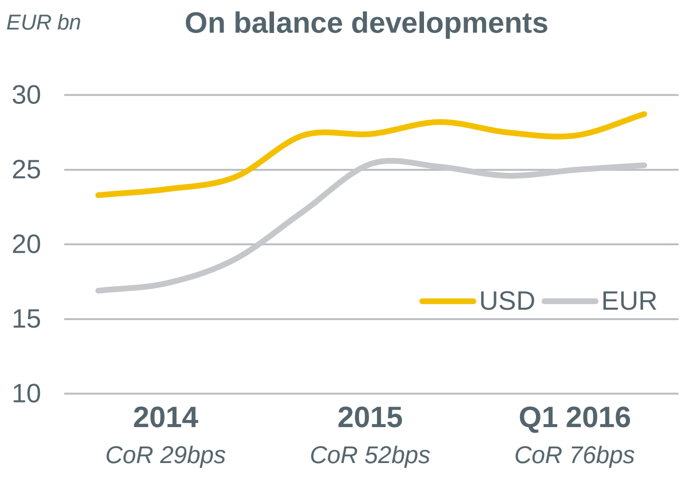


- Mortgage impairments peaked in Q1 2014 and declined to lower levels since
- Lower impairment driven by asset quality improvements
- Estimated average through-the-cycle cost of risk for mortgages is 5 – 7 bps

ECT Clients and oil price sensitivity

Exposures across selected clients active in ECT sectors

Q1 2016, end of period, EUR bn	Energy Clients	Commodities Clients	Transportation Clients	▶ ECT Clients
Clients Groups (#)	~100	~325	~175	~600
On balance exposure	**5.1**	**11.2**	**8.9**	**25.3**
% of Total L&R (of EUR 280bn)	2%	4%	3%	9%
Off B/S Issued LCs + Guarantees	0.6	5.2	0.2	6.0
Sub total	**5.7**	**16.4**	**9.1**	**31.2**
Off B/S Undrawn committed	2.1	2.6	1.2	5.9
Total	**7.7**	**19.0**	**10.4**	**37.1**



Sensitivity to prolonged low oil prices considered by management to be manageable[1]

- Close risk monitoring is applied as market circumstances are challenging for some clients active in Oil & Gas sector
- In a scenario of prolonged low oil prices[1] we would expect impairments on Energy Clients to rise to approximately EUR 75m (mild scenario) and EUR 125m (severe scenario) over an 18 month period
- We consider this to be manageable in view of the size of our portfolio

ECT Client segment	Activity / Business Line	% of ECT Clients[2]	Management Estimated Sensitivity
Commodities - Energy	Trade Finance	~30%	*Limited exposure to oil price risk*
Energy Clients	FPSO, Midstream, Corporate Lending		
	Offshore Drilling & Other Offshore Companies	~6%	*Indirect exposure to oil price risk*
	Upstream (Reserve Base Lending)	~4%	*Exposure to oil price risk*

c. 40% of EUR31.2bn in ECT Clients is in Oil & Gas related exposures (EUR 12-13bn)

Note(s):
1. Two oil price scenarios were used: (i) a mild scenario of $30 oil price for 18 months and (ii) a severe scenario of $20 oil price for the first 6 months, followed by 12 months with an oil price of $30
2. Breakdown based on YE2015 management information

Transportation downturn scenario effects stay within risk limits

Quick scan with downturn assumptions

- Close risk monitoring is applied to specific shipping sectors: e.g. dry bulk, containers and offshore support
- A quick scan included a mild and severe downturn assumptions, without mitigating measures
- Scope full Transportation portfolio, including all shipping exposures
- Scenario outcomes are considered manageable in view of
  - the size of our Transportation portfolio
  - past experience showing that risk measures and file restructurings can significantly reduce the need for impairments
  - the portfolio remaining within its sector limits

Mild scenario

- Global trade below pre-crisis levels and oversupply in dry bulk & containers not abating
- Downturn period of 18 months
- Up to a 3 notch downgrade on sub portfolios and specific files forced into default
- Modelled impact: c. EUR 75m impairments over 18 months

Severe scenario

- Global trade stalls and oversupply in dry bulk & containers increases
- Downturn period of 24 months
- Up to a 4 notch downgrade on sub portfolios and specific files forced into default
- Modelled impact: c. EUR 225m impairments over 24 months


Dry Bulk


Containerships


Off Shore


Car/Roro


Mixed


Intermodal


Shuttle Tankers


LNG


LPG


Tankers

annex

Interest income and Negative Interest Rate Policy

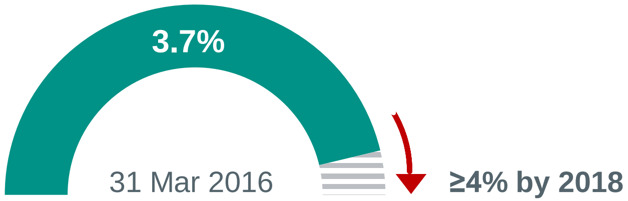
Balance sheet hedging against interest rate movements helps to stabilise NII

- Conceptually, interest rate risk is managed by swapping both assets and liabilities to floating rates
  - Fixed rate wholesale funding and liquidity buffer bonds are each swapped to floating
  - Mortgages, consumer and commercial loans and deposits are managed on a portfolio basis, where only the net interest rate exposure is hedged to floating through swap contracts
- Resulting NII profile is predominantly driven by developments in commercial margins and volumes
- As of 31 March 2016, a 200bps decline/rise in interest rates over 12 month period leads to 2.4% decrease/ 3.4% increase of NII

Balance sheet item	Impact of lower and negative interest rates on NII
Mortgages	✓ Margins locked-in for interest period, portfolio is mainly in longer dated fixed mortgages ✓ Intense competition from institutional investors (looking for yield)
Commercial loans	✓ Limited impact on margins, though a large barrier exists to pay a client for lending money
Deposits	✓ Still room to lower main retail savings rate, however entering uncharted territory and client behaviour may become hard to predict ✓ Ultimately NII will be impacted if retail deposits are kept positive in a strongly negative rate environment (for a longer period of time) ✓ Professional counterparties and large private banking clients are charged for deposits
Wholesale funding	✓ Interest rate risk is hedged, costs are purely driven by ABN AMRO credit spread
Liquidity buffer	✓ Interest rate risk is hedged, yield is purely driven by credit spreads ✓ Looking to further optimise the cash held at central banks

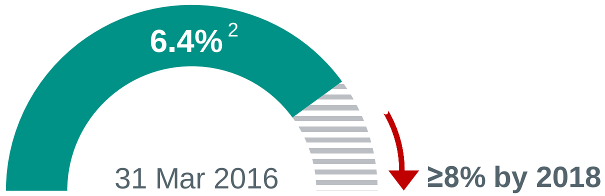
Capital ambitions & implications (1/2)

Leverage ratio ambition[1]



- **Steering** through profit retention, additional AT1 issuance, manage balance sheet and product offering
- **Regulatory** developments: a change in Clearing treatment could lower the Exposure Measure, however could largely be offset by credit conversion factors for off-balance items
- **Ambition** requires
  - EUR 1.6bn in profit retention and/or extra T1 capital; or
  - EUR 40bn reduction in Exposure Measure

MREL ambition[1]



- **Steering** through profit retention, subordinated debt issuance, manage balance sheet
- **Regulatory:**
  - Final regulations determine final requirements (includes NRA/SRB guidance)
  - Pre-position for TLAC: although not directly applicable to ABN AMRO, TLAC is considered to be more or less in line with the ambition to meet ≥8% MREL

Note(s):
1. Based on current understanding of applicable and/or pending regulation
2. Based on Own Funds (CET1, T1 and T2 as defined in CRR) and other subordinated liabilities

Capital ambitions & implications (2/2)

SREP 2016

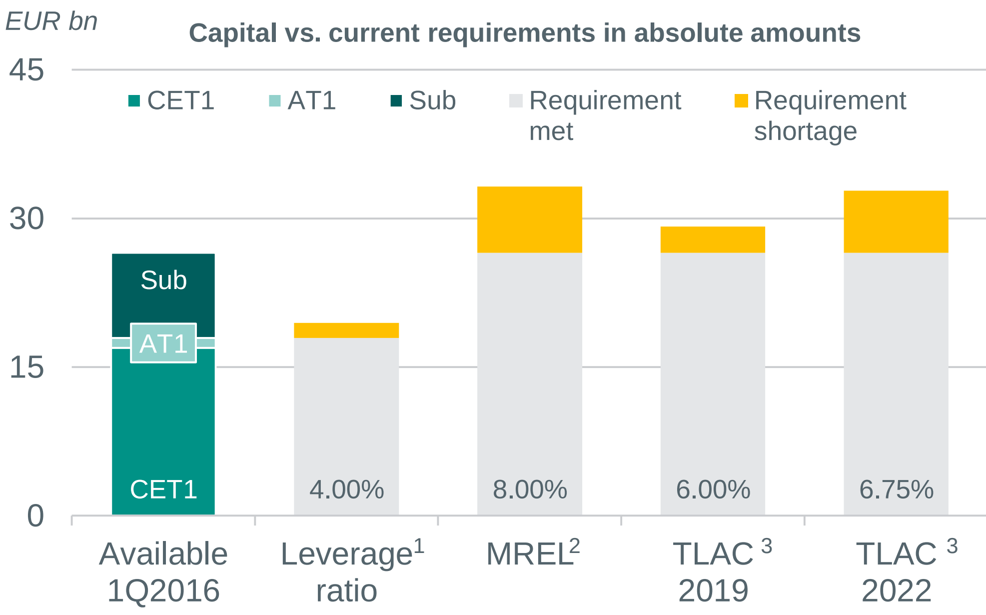
Q1 2016 CET1 (fully loaded) of 15.8% well above 10.25% supervisory requirement for 2016, including:

- 9.5% SREP requirement (including capital conservation buffer)
- 0.75% phase-in DNB systemic risk buffer (growing to 3% in 2019)

Maximum Distributable Amount framework on a consolidated group basis:

- Current capital position provides a strong buffer before MDA restrictions apply
- CET1 ratio of 15.8% exceeds the ECB/DNB 2016 requirement by 5.55%

Capital implications seem manageable



- Implications from requirements such as Leverage, MREL and TLAC are manageable
- Basel IV implications remain uncertain

Note(s):
1. Based on Exposure Measure (eligible instruments: CET1 and AT1/T1)
2. Based on balance sheet total (eligible instruments: CET1, AT1/T1 and sub debt)
3. In the case of ABN AMRO, currently, based on the most constraining being the 6.00 - 6.75% Exposure Measure (eligible instruments: CET1, AT1 /T1 and sub debt)

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