Rating Report

ABN AMRO Group N.V.

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DBRS

Insight beyond the rating.

Ratings

Issuer	Debt	Rating	Rating Action	Trend
ABN AMRO Group N.V.	Long-Term Issuer Rating	A	Confirmed	Stable
ABN AMRO Group N.V.	Short-Term Issuer Rating	R-1 (low)	Confirmed	Stable
ABN AMRO Bank N.V.	Long-Term Issuer Rating	A (high)	Confirmed	Stable
ABN AMRO Bank N.V.	Short-Term Issuer Rating	R-1 (middle)	Confirmed	Stable

See page 9 for full list of ratings

Rating Considerations

Franchise Strength:
Well-positioned franchise in the Netherlands, supported by solid corporate banking operations internationally.
(Grid Grade: S)*

Earnings Power:	Risk:	Funding and Liquidity:	Capital:
Good earnings capacity across businesses in recent years. Cost control remains a key focus for management. **(Grid Grade: S/G)**	Generally conservative risk profile, consistent with its retail and commercial franchise – albeit some stress currently evident in the energy portfolio. **(Grid Grade: S/G)**	Strong funding profile, reflecting strong core retail and private banking funding base. Robust liquidity position. **(Grid Grade: S)**	Strong capital, with increasingly large buffers to absorb changes in the still evolving regulatory environment. **(Grid Grade: S)**

***VS – Very Strong; S – Strong; G- Good; M – Moderate; W – Weak; VW – Very Weak**

Rating Drivers

Factors with Positive Rating Implications

- Positive rating pressure could result from a longer track record of strong returns across business segments, in addition to delivering continued success in executing its strategy, specifically with regards efficiency savings.

Factors with Negative Rating Implications

- A substantial deterioration in profitability or an increase in the Group's risk profile could have negative implications. A significant downturn to the Dutch economy could also result in negative pressure given the Group's large domestic exposure.

Financial Information

ABN AMRO Group NV

EUR Millions	31/12/2016	31/12/2015	31/12/2014	31/12/2013	31/12/2012
Total Assets	394,482	407,373	413,730	372,022	393,758
Equity	18,937	17,584	14,877	13,568	12,883
Pre-provision operating income (IBPT)	2,778	3,232	3,184	2,701	2,872
Net Income	1,805	1,919	1,134	1,162	1,153
Net Interest Income / Risk Weighted Assets (%)	6.01%	5.63%	5.49%	4.94%	4.14%
Risk-Weighted Earning Capacity (%)	2.62%	2.89%	2.81%	2.29%	2.32%
Post-provision Risk-Weighted Earning Capacity (%)	2.51%	2.44%	1.78%	0.87%	1.16%
Efficiency Ratio (%)	67.01%	61.77%	60.18%	63.60%	59.51%
Impaired Loans % Gross Loans	3.28%	3.22%	2.58%	2.97%	3.19%
CET1 (as reported)	17.10%	15.53%	14.07%	14.40%	12.10%

Source: SNL

Issuer Description

ABN AMRO Group N.V. provides a wide range of Retail Banking, Private Banking and Corporate Banking products and services, primarily in the Netherlands and selectively abroad. At end-June 2017, ABN AMRO Group N.V. had total assets of EUR 403.8 billion.

Rating Rationale

DBRS Ratings Limited (DBRS) rates ABN AMRO Group N.V. (ABN AMRO or the Group), the top-level holding company at 'A' for its Issuer Rating and Long-Term Debt Rating, and ABN AMRO Bank N.V. (the Bank), the main operating subsidiary of the Group at A (high) for its Issuer Rating and Long-Term Debt & Deposits Rating. The trend on all ratings is Stable. The Intrinsic Assessment (IA) for the Bank is A (high), resulting in the Bank's final ratings being positioned in line with its IA.

ABN AMRO's ratings and Stable trend reflect the strength of the Group's domestic retail and commercial banking franchise, which is underpinned by its key market presence in Dutch mortgages and savings. The ratings also incorporate the Group's consistent earnings generation, relatively low risk profile, strong capitalisation and strengthened funding profile. The Stable trend reflects DBRS's view that the ratings are well-placed at the current level, taking into account the potential revenue headwinds presented by the ongoing low interest rate environment and ongoing uncertainty regarding the Basel Committee on Banking Supervision's (BCBS) final decisions about the standardised and internal ratings based (IRB) approach for credit.

DBRS considers ABN AMRO's capacity to generate solid earnings as solid. While profitability could become pressured by various factors, including the low interest rate environment, restructuring and elevated regulatory costs, the Group generated a solid level of earnings in 2016. The Group reported underlying net profit, excluding one-off items including the provisions for SME derivative-related issues, of EUR 2.1 billion in 2016, an increase of 8% YoY, and well in excess of the four year annual run-rate average of EUR 1.3 billion as estimated by DBRS. Underlying net profit of EUR 1.6 million in 1H17 is also tracking consistently with 2016, despite the continued challenging operating environment.

DBRS views ABN AMRO's risk profile as well managed, evidenced by the good quality loan book, solid diversification by industry and the low cost of risk. At end-1H17, the Group reported a DBRS-calculated impaired and 90 days past due (dpd) ratio for customer loans of 3.2%, down from 3.4% at end-2015, supported by further improvements in the Dutch operating environment. DBRS also notes that the Group's lending exposure to sectors experiencing increased stress, such as energy, appears manageable. While the challenging operating environment, especially in energy markets, has resulted in elevated ECT-related impairment charges in 2016 and 1H17, at EUR 209 million and EUR 141 million respectively, the portfolio appears well diversified with the Group estimating that only EUR 3.4 billion is directly exposed to oil price risk.

The Group's funding and liquidity profile is viewed by DBRS as strong, in part reflecting the strong core retail and private banking funding base, and well diversified wholesale funding sources. Also ABN AMRO's loan to deposit ratio improved to 112% at end-1H17, from 125% in 2012, following good customer deposit growth. ABN AMRO's liquidity buffer totals EUR 73.4 billion at end-1H17, which is approximately 3.3x in excess of the Group's wholesale funding with a maturity of less than one year, while the Group's Liquidity Coverage Ratio (LCR) remained above 100% at end-1H17.

DBRS views ABN AMRO's capital position as strong. There are a number of challenges ahead with regards to regulatory capital and risk-weighted asset (RWA) requirements, but DBRS considers the Group to be well placed to manage the impact given current buffers over regulatory minimums, the Group's track record for strong internal capital generation, and flexibility to access markets. Illustrating this is, the Group's fully-loaded common equity tier 1 (CET1) ratio of 17.6% at end-1H17, comfortably above the 2017 minimum SREP requirement of 9.0%. In addition, ABN AMRO held EUR 30.6 billion of MREL-eligible instruments at end-1H17, based on solely on equity and subordinated instruments, equivalent to 29.4% of RWAs, or 7.6% of total assets. DBRS notes that the fully-loaded leverage ratio was 3.9%, which is at the lower end of the international peer group, and reflects the relatively high proportion of low RWA density assets on the balance sheet.

Franchise Strength (Grid Grade: Strong)

ABN AMRO is one of the three leading banks in the highly concentrated Dutch market with a substantial retail and commercial franchise based on its solid brand and well-established reputation. The Group, which is the result of the 2010 merger of the state-owned portions of the former ABN AMRO Bank N.V. and Fortis Bank (Nederland) N.V, focuses on serving retail banking clients in the Netherlands and meeting the commercial banking needs of Dutch clients in the Netherlands and abroad, while seeking leading positions in a limited number of niche global businesses.

Ownership Structure
The Dutch State, through NL Financial Investments (NLFL), owned 63% of the Group as of end-June 2017, following the successful IPO of the Group on 20 November 2015, as well as subsequent sale of depositary receipts in June 2017.

Business Segments
ABN AMRO reports into five distinct segments: Retail Banking; Private Banking; Commercial Banking, Corporate & Institutional Banking; and Group Functions. Group Functions includes the support and control functions: Innovation and Technology; Finance including ALM/Treasury; Risk Management; Transformation and HR, Group Audit and Corporate Office.

Retail Banking (46% of Group's net underlying profit in 1H17)
Generating 46% of underlying net profit in 1H17, ABN AMRO's strong retail banking franchise in the Netherlands is an important factor underpinning the ratings. Pursuing an increasingly digital-first approach, ABN AMRO maintains a strong position within the Netherlands, with the Group operating as the primary bank for 21% of the Dutch population, and estimated market shares (by the Group) in new mortgage lending of approximately 22%. In 1H17, retail banking recorded a net underlying profit of EUR 725 million, up 8% YoY, reflecting income growth and impairment releases.

Private Banking (18% of Group's net underlying profit in 1H17)
At end-1H17, the Private Banking (PB) business had EUR 194.5 billion of Client Assets (AuM), under the brand name ABN AMRO MeesPierson in the Netherlands, internationally under ABN AMRO Private Banking and well recognised local brands, such as Banque Neuflize OBC (NOBC) in France and Bethmann Bank in Germany. Private banking is a core activity of ABN AMRO, with the Group increasingly targeting growth in Northwest Europe. As a result, ABN AMRO agreed the sale of PB Asia and the Middle East to LGT in 2016, and expanded its offering in Netherlands to cover clients with investable assets of at least EUR 500,000. PB recorded a net underlying profit of EUR 288 million in 1H17, an increase of x3 YoY, as income growth more than offset the cost of increased regulatory levies.

Commercial Banking (23% of Group's net underlying profit in 1H17)
Previously known as Commercial Clients, ABN AMRO's Commercial Banking business provides banking services to clients with annual revenue of less than EUR 250 million, which are active in the Dutch economy, in addition to offering asset-based financing to clients in the Netherlands and selected countries in Europe. In 1H17, Commercial Banking reported an underlying profit of EUR 367 million, down 4% YoY driven by increased personal expenses and lower impairment releases.

Corporate & Institutional Banking (11% of Group's net underlying profit in 1H17)
ABN AMRO's Corporate & Institutional Banking division serves business clients with revenues exceeding EUR 250 million, as well as Energy, Commodities & Transportation (ECT) Clients, Diamond & Jewelry Clients, and Financial Institutions clients. The division also includes Sales and Trading (S&T) and ABN AMRO Clearing. ABN AMRO is well-positioned in ECT Clients, which builds on the Netherlands' historical role as a hub in global trade by offering asset-based and commodity financing solutions to clients active in the full value chain of energy, commodities and transportation sectors. In 1H17, Corporate & Institutional Banking reported a net underlying profit of EUR 166 million (vs. EUR 54 million in 1H16), supported in part by increased ECT lending.

Earnings Power (Grid Grade: Strong/Good)

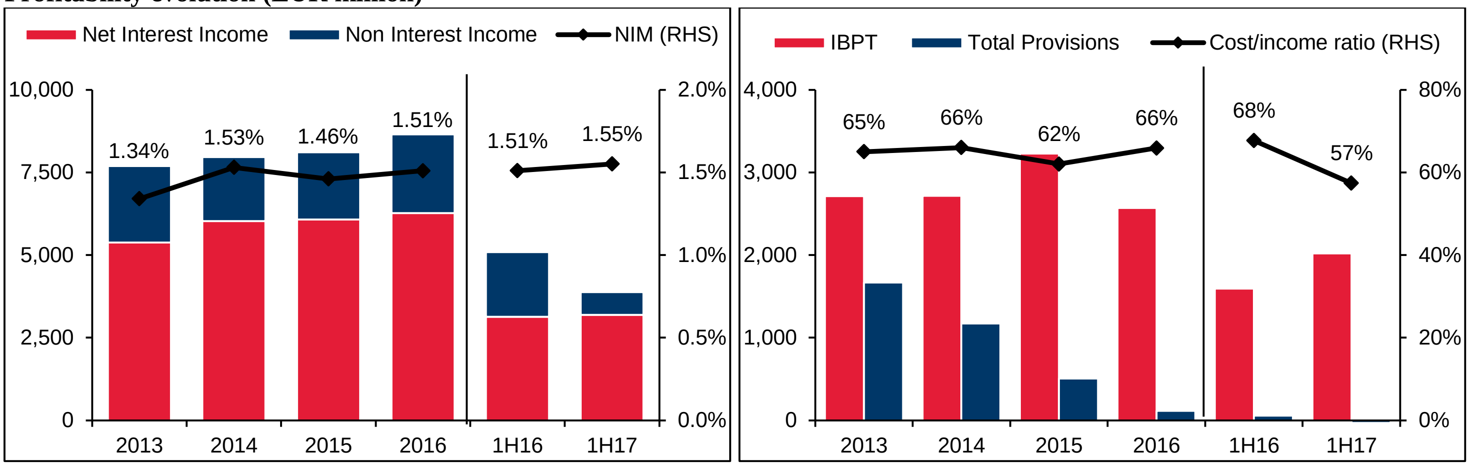
ABN AMRO has demonstrated solid earnings generation in recent years, underpinned by its well-positioned franchise in the Netherlands, and solid corporate banking operations.

In 2016, ABN AMRO net profit of EUR 1.8 billion, down 6% YoY, driven in part by EUR 271 million of provisions for SME derivative-related issues taken in 2Q16. On an underlying basis, excluding this one-off item, net profit was increased 8% YoY, to EUR 2.1 billion, in part driven by good underlying income growth, particularly in Corporate Banking. This solid performance continued in 1H17, as further income growth supported a 39% YoY increase in underlying net profit, to EUR 1.6 billion.

Expense control remains a key target for the Group, especially in light of recent elevated regulatory costs. ABN AMRO spent EUR 275 million on regulatory costs in 2016, including the Dutch bank tax (EUR 98 million), the Deposit Guarantee Scheme (EUR 90 million) and the National Resolution Fund (EUR 66 million), and, and a further EUR 155 million in 1H17. Despite high regulatory costs, the benefits of the Group's focus on efficiency savings initiatives, such as TOPS 2020 and Retail Digitalisation programmes, were evident in 1H17 with ABN AMRO reporting an underlying cost-income ratio, which excludes special one-off items like the additional SME derivative charge, of 57.4%, down from 61.8% in 1H16 and within the Group's internal target range of 56-58% by 2020. DBRS, therefore, views positively that ABN AMRO regularly invests and consistently strengthens its IT, while enhancing its digital offering and reducing complexity.

ABN AMRO's earnings capacity continues to be supported by cyclically low risk costs. In 2016, risk costs continued to improve, with impairment charges down 77% YoY to EUR 114 million, equivalent to 4 bps of average customer loans on an annualised basis, well below the Group's estimated through-the-cycle average of between 25-30 bps. ABN AMRO benefited further in 1H17, with EUR 96 million of impairment releases reflecting the continued improvement of the Dutch economy.

Profitability evolution (EUR million)



Source: Company data, DBRS

Risk Profile (Grid Grade: Strong/Good)

ABN AMRO has a relatively low risk profile, evidenced by the good quality loan book, solid diversification by industry and the low cost of risk.

The Group's customer loan portfolio totalled EUR 271.3 billion at end-1H17 and is principally concentrated to residential mortgages (56%). The remaining 45% of the portfolio consists of corporate loans (31%), consumer loans (5%), and other loans (8%), which is broadly made up of loans to Governments and official institutions, financial lease receivables and factoring.

At end-1H17, the Group's residential mortgage portfolio, excluding the fair value adjustment for hedge accounting, totalled EUR 151.0 billion, 26% of which is guaranteed through the Nationale Hypotheek Garantie (NHG) scheme. The performance of this portfolio continues to be strong, with impaired and 90 days past due (dpd) exposures totalling EUR 1.1 billion at end-1H17, down 11% since end-2016 as a result of further improvements in the domestic operating environment, and an impaired and 90 dpd ratio of only 0.70%. DBRS also notes that average loan-to-values (LTVs) of the portfolio has continued to improve, down to 74% at end-1H17 (or 71% excluding the NHG mortgages), from 76% at end-2016. The composition of the Group's portfolio has also continued to change positively towards more amortising loans, with full interest only accounting for only 19% of the portfolio at end-1H17, compared with 22% at end-2015, and redeeming mortgages up to 21% of the portfolio, compared with 13% at end-2015.

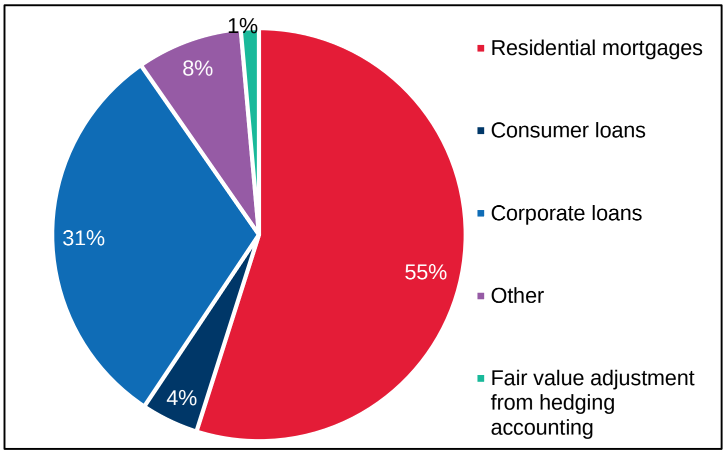
The performance of ABN AMRO's corporate loan portfolio (EUR 85.2 billion), however, deteriorated in the 15 months to end-1H17, as further improvements in certain sectors, such as commercial real estate (CRE), which experienced a 29% YoY decrease in impaired loans, to EUR 606 million at end-2016, was offset by continued pressure within the Group's ECT Clients portfolio. ABN AMRO's ECT lending, including off-balance sheet commitments, totalled EUR 43.9 billion at end-1H17. While the challenging operating environment, especially in energy markets, has resulted in elevated ECT-related impairment charges in 2016 and 1H17, at EUR 209 million and EUR 141 million respectively, the portfolio appears well diversified with the Group estimating that only EUR 3.6 billion is directly exposed to oil price risk. With oil prices within the range of USD 46-51 / barrel in recent months, DBRS will, however, continue to monitor closely the performance of the Group's ECT portfolio.

As a result of the Group's lending diversification, however, overall customer loan performance remained solid at end-1H17, with ABN AMRO reporting a DBRS-calculated impaired and 90 dpd ratio for customer loans of 3.2% at end-1H17, down from 3.4% at end-2015. The coverage ratio on the total portfolio was moderate at 34% at end-1H17, compared with 41% at end-2015.

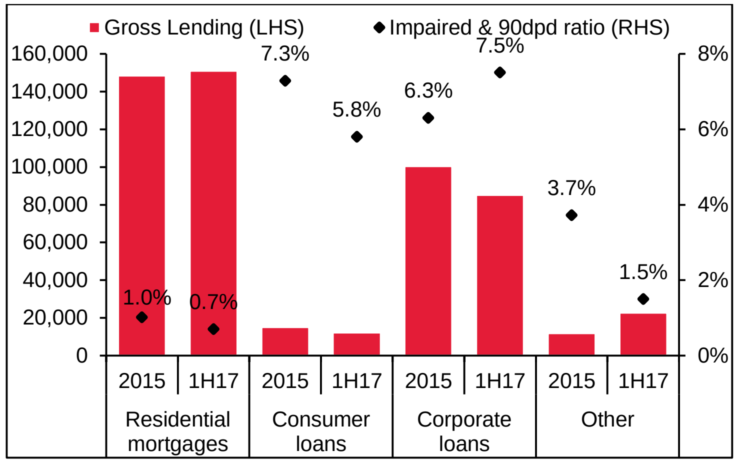
The Group has limited market risk exposure (3% of RWAs) with the trading book having an average undiversified VaR (value at risk) of EUR 6.9 million in 2016 and a maximum undiversified VaR in 2016 of EUR 5.2 million.

In DBRS' opinion, operational risk is an important challenge for banking groups with the size and scope of ABN AMRO. The Group has, however, largely avoided the large fines and conduct costs that have affected some international peers in recent years. DBRS does, however, note that the Group is currently dealing with certain litigation issues, including the pricing model it used in the sale of mortgage loans with floating Euribor-based interest rates, and allegations of potential 'irresponsible lending' within its credit card business, International Card Services B.V. (ICS). While ABN AMRO has provided for certain cases, and is cooperating with the relevant authorities, DBRS remains cautious as settlement costs continue to be extremely elevated across the sector.

Gross lending (EUR million)
End-June 2017 – EUR 275.2 billion



NPL ratios (%)



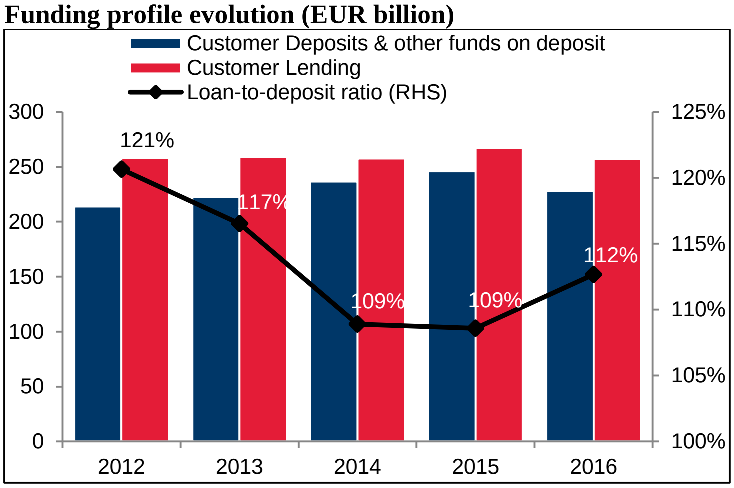
Source: Company data, DBRS

Funding and Liquidity (Grid Grade: Strong)

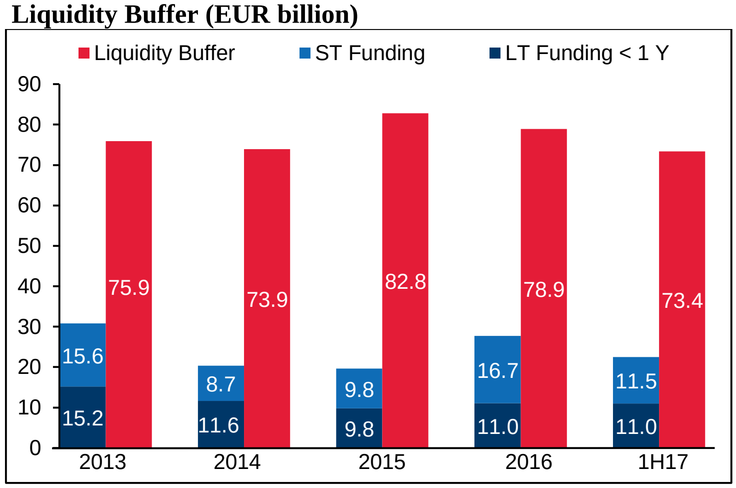
The Group's funding profile is viewed by DBRS as strong, reflecting the strong core retail and private banking funding base and well diversified wholesale funding sources. Following good deposit growth in recent years, ABN AMRO reported a loan-to-deposit (LTD) ratio of 112% at end-2016. Although up marginally YoY, this was driven by the 'held for sale' reclassification of deposits from Private Banking Asia, which is due to be sold in 2Q17 and DBRS notes that the LTD started to track lower again in 1Q17, following a EUR 8 billion sequential increase in customer deposits. DBRS also positively notes the Group's continued shift in wholesale funding usage from RMBS asset encumbrance, to more senior unsecured funding, as reflected in the continued decrease in percentage of total encumbered assets to 16.8% at end-2016, compared with 19.1% at end-2013.

ABN AMRO also maintains a significant liquidity buffer totalling EUR 73.4 billion at end-1H17, 93% of which is eligible for the Liquidity Coverage Ratio (LCR). The liquidity buffer comprises government bonds (44%) and cash and central bank deposits (35%), both of which are LCR eligible, as well as retained residential mortgage backed securities (RMBS) (9% - which is not LCR eligible), covered bonds (2% - LCR eligible) and other liquid assets (9% - LCR eligible). In total, ABN AMRO's LCR was above 100% at end-1H17, and the liquidity buffer was approximately 3.3x the Group's wholesale funding with a maturity of less than one year, which totalled EUR 22.5 billion at end-1H17. The Group's Net Stable Funding Ratio (NSFR) also remained above 100% at end-1H17, meaning that ABN AMRO is already compliant with the minimum requirement under Basel 3.

Funding profile evolution (EUR billion)



Liquidity Buffer (EUR billion)



Source: Company data, DBRS

Capitalisation (Grid Grade: Strong)

DBRS continues to view ABN AMRO as demonstrating strong capitalisation. At end-1H17, the Group's fully-loaded CRDIV Common Equity Tier 1 (CET1) ratio was 17.6%, ahead of both the Group's internal fully-loaded CET1 target of between 11.5%-13.5%, and 2017 minimum SREP requirement of 9.0%, which includes a Pillar 2 Requirement (P2R) of 1.75%, capital conservation buffer of 1.25% and systemic risk buffer of 1.50%. DBRS also notes that the Group's current fully-loaded CET1 ratio is also comfortably above its current Maximum Distributable Amount (MDA) trigger level of 9.6%, resulting from a 0.6% Additional Tier 1 (AT1) shortfall, and its expected 2019 minimum SREP requirement of 11.75%, assuming no change in the P2R.

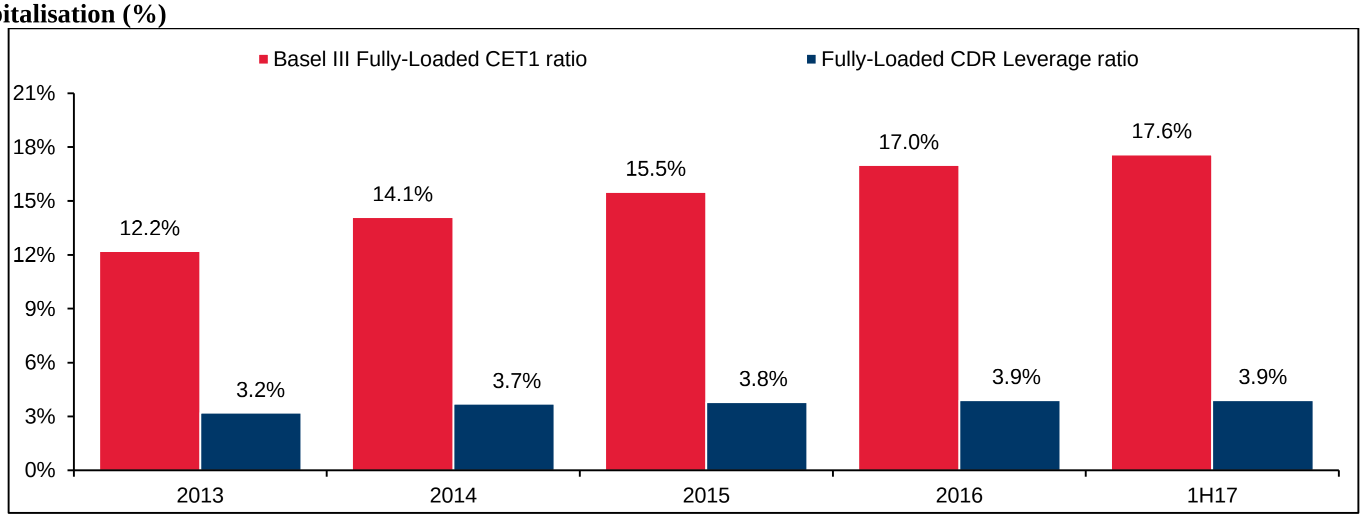
The Group's fully-loaded Commission Delegated Regulation (CDR) leverage ratio was 3.9% at end-1H17, unchanged from end-2016. Although marginally lower than the Dutch Ministry of Finance's guidance of 4%, DBRS notes that the current calculation of the leverage ratio denominator, and specifically the calculation of derivative exposures and credit conversion factors of off-balance sheet items, remains under review by the Basel Committee. ABN AMRO notes in its disclosure that a revision to the calculation method of derivative exposures could potentially result in a 45 bps increase in the fully-loaded leverage ratio at end-1H17, not including any potential offsetting effects of an adjustment to the credit conversion factors of off-balance sheet items.

Although final requirements have yet to be determined, ABN AMRO also looks well placed to meet future Minimum Requirement for own funds and Eligible Liabilities (MREL) requirements. At end-1H17, the Group held EUR 30.6 billion of MREL-eligible instruments, based on solely on equity and subordinated instruments, equivalent to 29.4% of RWAs, or 7.6% of total assets. While marginally shy of its internal MREL target of greater than 8% by 2018, this puts the Group in a strong position relative to peers regarding MREL pre-positioning. DBRS also notes that ABN AMRO expects to meet this target, which requires an increase of approximately EUR 2.3 billion MREL, through subordinated debt issuance, including non-preferred senior when available, and capital retention.

Despite ABN AMRO's solid position, capital remains a key focus given the evolving regulatory environment, including the European Central Bank's (ECB) Targeted Review of Internal Models (TRIM) and the proposed revisions by the Basel Committee on Banking Supervision (BCBS) of the standardised and the internal ratings based (IRB) approach for credit. With 92% of credit risk weights calculated under the IRB approach at end-2016 and typically high loan-to-value ratios in the Netherlands, any potential change to residential real estate and SME risk weights through the introduction of an output floor could significantly impact the Group's regulatory capital ratios. While recent communication from BCBS has indicated at a long phase-in period for any adjustments, final decisions are still unknown and as a result, DBRS will continue to monitor the developments closely. DBRS does, however, note that the Group will announce an updated view on its capital position in 1Q18 in the case that no final agreement is reached by the BCBS in 2H17.

As of January 2018, the transition to a new accounting standard, IFRS 9, will become effective. A crucial component of this standard is the introduction of an expected credit loss (ECL) impairment framework. Under this framework, banks are required to estimate and account the ECL for financial assets measured at amortised cost or fair value through other income (FVOCI), including loans, debt securities and lease and trade receivables, starting from the point of origination or acquisition. For further information, please see: DBRS: Proposed Delay to Expected Credit Loss Accounting Model Provides Temporary Reprieve for European Banks. Whilst a transition period of five years has been agreed by the BCBS, European Banking Authority (EBA) and European Central Bank (ECB), the impact of the First Time Adoption (FTA) of IFRS 9 will be taken through equity, and could impact the CET1 capital ratio. Although ABN AMRO estimates that the FTA impact on the CET1 capital ratio to be less than 45 bps, and is likely to be offset by certain regulatory deductions, DBRS will continue to monitor the impact closely.

Capitalisation (%)



Source: Company data, DBRS

ABN AMRO Group NV	31/12/2016		31/12/2015		31/12/2014		31/12/2013		31/12/2012	
	EUR		EUR		EUR		EUR		EUR	
EUR Millions	IFRS		IFRS		IFRS		IFRS		IFRS	
Balance Sheet										
Cash and deposits w ith central banks	21,861	5.54%	26,195	6.43%	706	0.17%	9,523	2.56%	9,796	2.49%
Lending to/deposits w ith credit institutions	13,485	3.42%	15,680	3.85%	21,680	5.24%	23,967	6.44%	32,183	8.17%
Financial Securities*	64,672	16.39%	62,291	15.29%	68,173	16.48%	57,460	15.45%	56,494	14.35%
- Trading portfolio	1,586	0.40%	1,686	0.41%	8,196	1.98%	10,987	2.95%	5,971	1.52%
- At fair value	778	0.20%	770	0.19%	589	0.14%	530	0.14%	375	0.10%
- Available for sale	44,719	11.34%	39,772	9.76%	40,877	9.88%	27,581	7.41%	21,355	5.42%
- Held-to-maturity	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
- Other	17,589	4.46%	20,063	4.92%	18,511	4.47%	18,362	4.94%	28,793	7.31%
Financial derivatives instruments	14,384	3.65%	19,138	4.70%	25,285	6.11%	14,271	3.84%	21,349	5.42%
- Fair Value Hedging Derivatives	2,909	0.74%	4,403	1.08%	5,555	1.34%	2,423	0.65%	4,095	1.04%
- Mark to Market Derivatives	11,475	2.91%	14,735	3.62%	19,730	4.77%	11,848	3.18%	17,254	4.38%
Gross lending to customers	271,365	68.79%	280,750	68.92%	294,354	71.15%	263,035	70.70%	269,082	68.34%
- Loan loss provisions	3,666	0.93%	4,355	1.07%	4,761	1.15%	4,975	1.34%	5,512	1.40%
Insurance assets	3,275	0.83%	2,543	0.62%	2,453	0.59%	2,171	0.58%	2,170	0.55%
Investments in associates/subsidiaries	765	0.19%	778	0.19%	1,136	0.27%	1,082	0.29%	1,011	0.26%
Fixed assets	1,418	0.36%	1,366	0.34%	1,412	0.34%	1,426	0.38%	1,519	0.39%
Goodw ill and other intangible assets	251	0.06%	263	0.06%	255	0.06%	195	0.05%	223	0.06%
Other assets	6,671	1.69%	2,727	0.67%	3,037	0.73%	3,867	1.04%	5,443	1.38%
Total assets	**394,482**	**100.00%**	**407,373**	**100.00%**	**413,730**	**100.00%**	**372,022**	**100.00%**	**393,758**	**100.00%**
Total assets (USD)	416,032		442,460		500,823		512,568		519,264	
Loans and deposits from credit institutions	13,419	3.40%	14,630	3.59%	15,744	3.81%	11,626	3.13%	16,935	4.30%
Repo Agreements in Deposits from Customers	NA	-	NA	-	NA	-	NA	-	NA	-
Deposits from customers	228,757	57.99%	247,352	60.72%	242,873	58.70%	207,584	55.80%	201,605	51.20%
- Demand	119,848	30.38%	134,632	33.05%	135,415	32.73%	100,151	26.92%	93,682	23.79%
- Time and savings	108,909	27.61%	112,560	27.63%	107,314	25.94%	107,086	28.78%	107,580	27.32%
Issued debt securities	92,903	23.55%	87,579	21.50%	91,049	22.01%	100,948	27.13%	114,569	29.10%
Financial derivatives instruments	14,526	3.68%	22,425	5.50%	30,449	7.36%	17,227	4.63%	27,508	6.99%
- Fair Value Hedging Derivatives	4,970	1.26%	9,466	2.32%	12,246	2.96%	7,378	1.98%	11,132	2.83%
- Other	9,557	2.42%	12,958	3.18%	18,203	4.40%	9,849	2.65%	16,376	4.16%
Insurance liabilities	3,402	0.86%	2,697	0.66%	2,636	0.64%	2,551	0.69%	2,571	0.65%
Other liabilities	11,365	2.88%	5,397	1.32%	7,774	1.88%	10,601	2.85%	7,951	2.02%
- Financial liabilities at fair value through P/L	1,639	0.42%	1,715	0.42%	1,981	0.48%	2,071	0.56%	2,321	0.59%
Subordinated debt	11,171	2.83%	8,453	2.08%	7,043	1.70%	6,614	1.78%	8,521	2.16%
Hybrid Capital	0	0.00%	1,255	0.31%	1,285	0.31%	1,303	0.35%	1,215	0.31%
Equity	18,937	4.80%	17,584	4.32%	14,877	3.60%	13,568	3.65%	12,883	3.27%
Total liabilities and equity funds	**394,481**	**100.00%**	**407,373**	**100.00%**	**413,730**	**100.00%**	**372,022**	**100.00%**	**393,758**	**100.00%**
Income Statement										
Interest income	12,651		13,207		13,376		13,383		13,979	
Interest expenses	6,383		7,130		7,353		8,003		8,951	
Net interest income and credit commissions	6,267	74.43%	6,076	71.86%	6,023	75.33%	5,380	72.50%	5,028	70.89%
Net fees and commissions	1,743	20.70%	1,829	21.63%	1,691	21.15%	1,643	22.14%	1,556	21.94%
Trading / FX Income	-211	-2.51%	99	1.17%	174	2.18%	158	2.13%	263	3.71%
Net realised results on investment securities (available for sale)	NA	-	NA	-	NA	-	29	0.39%	53	0.75%
Net results from other financial instruments at fair value	NA	-	NA	-	NA	-	-7	-0.09%	-24	-0.34%
Net income from insurance operations	NA	-	NA	-	NA	-	NA	-	NA	-
Results from associates/subsidiaries accounted by the equity method	55	0.65%	1	0.01%	51	0.64%	46	0.62%	74	1.04%
Other operating income (incl. dividends)	566	6.72%	450	5.32%	57	0.71%	172	2.32%	143	2.02%
Total operating income	8,420	100.00%	8,455	100.00%	7,995	100.00%	7,421	100.00%	7,093	100.00%
Staff costs	2,777	49.22%	2,492	47.71%	2,396	49.80%	2,320	49.15%	2,151	50.96%
Other operating costs	2,681	47.52%	2,560	49.01%	2,248	46.73%	2,171	46.00%	1,819	43.09%
Depreciation/amortisation	183	3.24%	172	3.29%	166	3.45%	229	4.85%	251	5.95%
Total operating expenses	5,642	100.00%	5,223	100.00%	4,811	100.00%	4,720	100.00%	4,221	100.00%
Pre-provision operating income	**2,778**		**3,232**		**3,184**		**2,701**		**2,872**	
Loan loss provisions**	114		505		1,171		1,671		1,435	
Post-provision operating income	2,664		2,727		2,013		1,030		1,437	
Impairment on tangible assets	15		4		8		13		15	
Impairment on intangible assets	0		1		30		0		0	
Other non-operating items***	-193		0		-429		554		2	
Pre-tax income	2,456		2,722		1,546		1,571		1,424	
(-)Taxes	650		798		412		411		271	
(-)Other After-tax Items (Reported)	0		0		0		0		0	
(+)Discontinued Operations (Reported)	0		0		0		0		0	
(-)Minority interest	1		5		0		-2		0	
Net income	**1,805**		**1,919**		**1,134**		**1,162**		**1,153**	
Net income (USD)	1,997		2,130		1,507		1,543		1,482	

*Includes derivatives w hen breakdow n unavailable, **LLP includes Impairments on financial assets, ***Incl. Other Provisions

Off-balance sheet and other items	31/12/2016	31/12/2015	31/12/2014	31/12/2013	31/12/2012
Asset under management	322,700	313,500	302,500	168,300	163,100
Derivatives (notional amount)	1,211,843	1,250,719	1,100,179	930,411	928,915
BIS Risk-w eighted assets (RWA)	104,215	108,001	109,647	109,012	121,506
No. of employees (end-period)	21,664	22,048	22,215	22,289	23,059
Earnings and Expenses					
Earnings					
Net interest margin [1]	1.53%	1.41%	1.56%	1.40%	1.27%
Yield on average earning assets	3.08%	3.07%	3.47%	3.47%	3.51%
Cost of interest bearing liabilities	1.84%	1.98%	2.05%	2.44%	2.61%
Pre-provision earning capacity (total assets basis) [2]	0.67%	0.78%	0.81%	0.67%	0.69%
Pre-provision earning capacity (risk-w eighted basis) [3]	2.62%	2.89%	2.81%	2.29%	2.32%
Net Interest Income / Risk Weighted Assets	6.01%	5.63%	5.49%	4.94%	4.14%
Non-Interest Income / Total Revenues	25.57%	28.14%	24.67%	27.50%	29.11%
Post-provision earning capacity (risk-w eighted basis)	2.51%	2.44%	1.78%	0.87%	1.16%
Expenses					
Efficiency ratio (operating expenses / operating income)	67.01%	61.77%	60.18%	63.60%	59.51%
All inclusive costs to revenues [4]	70.07%	61.82%	65.90%	56.48%	61.06%
Operating expenses by employee	260,432	236,892	216,565	211,764	183,052
Loan loss provision / pre-provision operating income	4.10%	15.63%	36.78%	61.87%	49.97%
Provision coverage by net interest income	5497.37%	1203.17%	514.35%	321.96%	350.38%
Profitability Returns					
Pre-tax return on Tier 1 (excl. hybrids)	13.94%	16.43%	10.18%	10.02%	9.69%
Return on equity	9.53%	10.92%	7.63%	8.57%	8.96%
Return on average total assets	0.44%	0.46%	0.29%	0.29%	0.28%
Return on average risk-w eighted assets	1.70%	1.71%	1.00%	0.99%	0.93%
Dividend payout ratio [5]	NA	NA	NA	NA	NA
Internal capital generation [6]	NA	NA	NA	NA	NA
Growth					
Loans	-3.15%	-4.56%	12.22%	-2.09%	-3.55%
Deposits	-7.52%	1.84%	17.00%	2.97%	-5.62%
Net interest income	3.14%	0.88%	11.95%	7.00%	0.60%
Fees and commissions	-4.70%	8.16%	2.92%	5.59%	-14.08%
Expenses	8.02%	8.56%	1.93%	11.82%	-20.40%
Pre-provision earning capacity	-14.05%	1.51%	17.88%	-5.95%	24.49%
Loan-loss provisions	-77.43%	-56.87%	-29.92%	16.45%	62.88%
Net income	-5.94%	69.22%	-2.41%	0.78%	73.38%
Risks					
RWA% total assets	26.42%	26.51%	26.50%	29.30%	30.86%
Credit Risks					
Impaired loans % gross loans	3.28%	3.22%	2.58%	2.97%	3.19%
Loss loan provisions % impaired loans	41.14%	48.19%	62.64%	63.77%	64.21%
Impaired loans (net of LLPs) % pre-provision operating income [7]	197.52%	159.19%	110.80%	129.36%	124.06%
Impaired loans (net of LLPs) % equity	28.98%	31.51%	25.96%	28.49%	30.54%
Liquidity and Funding					
Customer deposits % total funding	66.07%	69.09%	68.09%	63.53%	59.01%
Total w holesale funding % total funding [8]	33.93%	30.91%	31.91%	36.47%	40.99%
- Interbank % total funding	3.88%	4.09%	4.41%	3.56%	4.96%
- Debt securities % total funding	26.83%	24.46%	25.52%	30.89%	33.54%
- Subordinated debt % total funding	3.23%	2.36%	1.97%	2.02%	2.49%
Short-term w holesale funding % total w holesale funding	45.93%	40.27%	43.08%	44.99%	52.56%
Liquid assets % total assets	25.35%	25.57%	21.89%	24.45%	25.01%
Net short-term w holesale funding reliance [9]	-15.64%	-19.66%	-12.85%	-13.28%	-8.42%
Adjusted net short-term w holesale funding reliance [10]	-30.67%	-39.27%	-12.85%	-29.01%	-19.56%
Customer deposits % gross loans	84.30%	88.10%	82.51%	78.92%	74.92%
Capital [11]					
Tier 1	17.85%	16.88%	14.58%	15.32%	12.92%
Tier 1 excl. All Hybrids	16.90%	15.31%	13.85%	14.40%	12.10%
Core Tier 1 (As-reported)	17.10%	15.53%	14.07%	14.40%	12.10%
Tangible Common Equity / Tangible Assets	4.49%	4.01%	3.53%	3.59%	3.16%
Total Capital	24.60%	21.70%	19.74%	20.18%	18.44%
Retained earnings % Tier 1	21.70%	16.81%	11.04%	27.30%	24.42%

[1] (Net interest income + dividends)% average interest earning assets.
[2] Pre-provision operating income % average total assets.
[3] Pre-provision operating income % average total risk-w eighted assets.
[4] (Operating & non-op. costs) % (op. & non-op. revenues)
[5] Paid dividend % net income.
[6] (Net income - dividends) % shareholders' equity at t-1.
[7] We take into account the stock of LLPs in this ratio.
[8] Whole funding excludes corporate deposits.
[9] (Short-term w holesale funding - liquid assets) % illiquid assets
[10] (Short-term w holesale funding - liquid assets- loans maturing w ithin 1 year) % illiquid assets
[11] Capital ratios of Interim results exclude profits for the year
* Interim information is annualised w here needed.

Methodologies

The principal applicable methodology is the Global Methodology for Rating Banks and Banking Organisations (May 2017).

Ratings

Issuer	Debt	Rating	Rating Action	Trend
ABN AMRO Group N.V.	Long-Term Issuer Rating	A	Confirmed	Stable
ABN AMRO Group N.V.	Long-Term Senior Debt	A	Confirmed	Stable
ABN AMRO Group N.V.	Short-Term Debt	R-1 (low)	Confirmed	Stable
ABN AMRO Group N.V.	Short-Term Issuer Rating	R-1 (low)	Confirmed	Stable
ABN AMRO Bank N.V.	Long-Term Issuer Rating	A (high)	Confirmed	Stable
ABN AMRO Bank N.V.	Short-Term Issuer Rating	R-1 (middle)	Confirmed	Stable
ABN AMRO Bank N.V.	Long-Term Senior Debt	A (high)	Confirmed	Stable
ABN AMRO Bank N.V.	Long-Term Deposits	A (high)	Confirmed	Stable
ABN AMRO Bank N.V.	Short-Term Debt	R-1 (middle)	Confirmed	Stable
ABN AMRO Bank N.V.	Short-Term Deposits	R-1 (middle)	Confirmed	Stable
ABN AMRO Bank N.V.	Long Term Critical Obligations Rating	AA	Confirmed	Stable
ABN AMRO Bank N.V.	Short Term Critical Obligations Rating	R-1 (high)	Confirmed	Stable
ABN AMRO Bank N.V	6.5% Bank Bonds Due 2017	Disc.-Repaid	Discontinued	--
ABN AMRO Bank N.V	Dated Subordinated Debt	A (low)	Confirmed	Stable
ABN AMRO Bank N.V	6.375% Sub Notes Due 2021	A (low)	Confirmed	Stable
ABN AMRO Bank N.V	4.7% Sub Notes Due 2022	A (low)	Confirmed	Stable
ABN AMRO Bank N.V	6.25% Sub Notes Due 2022	A (low)	Confirmed	Stable
ABN AMRO Bank N.V	6.250% Sub Notes Due 2022	A (low)	Confirmed	Stable
ABN AMRO Bank N.V	7.125% Sub Notes Due 2022	A (low)	Confirmed	Stable
ABN AMRO Bank N.V	7.75% Sub Notes Due 2023	A (low)	Confirmed	Stable
ABN AMRO Bank N.V	Floating Rate Sub Notes Due 2017	Disc.-Repaid	Discontinued	--
ABN AMRO Bank N.V	Floating Rate Sub Notes Due 2020	A (low)	Confirmed	Stable

Rating History

Issuer	Debt	Current	2016	2015
ABN AMRO Group N.V.	Long-Term Issuer Rating	A	N/A	N/A
ABN AMRO Group N.V.	Long-Term Senior Debt	A	A	A (low)
ABN AMRO Group N.V.	Short-Term Debt	R-1 (low)	R-1 (low)	R-1 (low)
ABN AMRO Group N.V.	Short-Term Issuer Rating	R-1 (low)	N/A	N/A
ABN AMRO Bank N.V.	Long-Term Issuer Rating	A (high)	N/A	N/A
ABN AMRO Bank N.V.	Short-Term Issuer Rating	R-1 (mid)	N/A	N/A
ABN AMRO Bank N.V.	Long-Term Senior Debt	A (high)	A (high)	A
ABN AMRO Bank N.V.	Long-Term Deposits	A (high)	N/A	N/A
ABN AMRO Bank N.V.	Short-Term Debt	R-1 (mid)	R-1 (mid)	R-1 (low)
ABN AMRO Bank N.V.	Short-Term Deposits	R-1 (mid)	N/A	N/A
ABN AMRO Bank N.V.	Long Term Critical Obligations Rating	AA	AA	N/A
ABN AMRO Bank N.V.	Short Term Critical Obligations Rating	R-1 (high)	R-1 (high)	N/A
ABN AMRO Bank N.V	6.5% Bank Bonds Due 2017	Disc.-Repaid	A (high)	A
ABN AMRO Bank N.V	Dated Subordinated Debt	A (low)	A	A (low)
ABN AMRO Bank N.V	6.375% Sub Notes Due 2021	A (low)	A	A (low)
ABN AMRO Bank N.V	4.7% Sub Notes Due 2022	A (low)	A	A (low)
ABN AMRO Bank N.V	6.25% Sub Notes Due 2022	A (low)	A	A (low)
ABN AMRO Bank N.V	6.250% Sub Notes Due 2022	A (low)	A	A (low)
ABN AMRO Bank N.V	7.125% Sub Notes Due 2022	A (low)	A	A (low)
ABN AMRO Bank N.V	7.75% Sub Notes Due 2023	A (low)	A	A (low)
ABN AMRO Bank N.V	Floating Rate Sub Notes Due 2017	Disc.-Repaid	A	A (low)
ABN AMRO Bank N.V	Floating Rate Sub Notes Due 2020	A (low)	A	A (low)

Previous Actions

- DBRS Confirms ABN AMRO Bank at A (high), Trend Stable, June 27, 2017
- DBRS Assigns Issuer Ratings to 43 European Banking Groups, March 7, 2017
- DBRS Upgrades ABN AMRO Bank to A (high), Trend Now Stable, September 16, 2016
- DBRS Assigns Critical Obligations Ratings to 33 European Banking Groups, February 4, 2016

Related Research

- ABN AMRO Group N.V., October 7, 2016
- ABN AMRO Group N.V., October 9, 2015
- ABN AMRO Group N.V., October 23, 2014

Notes:
All figures are in EUR unless otherwise noted.

For the definition of Issuer Rating, please refer to Rating Definitions under Rating Policy on www.dbrs.com.

Generally, Issuer Ratings apply to all senior unsecured obligations of an applicable issuer, except when an issuer has a significant or unique level of secured debt.

This is an unsolicited rating. This credit rating was not initiated at the request of the issuer.