ABN·AMRO

Investor Relations

Q1 2017 results

analyst & investor call presentation

17 May 2017

Good first quarter 2017 results

Highlights Q1 2017 (vs. Q1 2016)

Financial results

- Underlying net profit at EUR 615m (+30%), resulting in EPS 0.64
- Operating income improved by 14% with largest driver being an increase in other income of EUR 225m
- NII proved again resilient and increased by 3%, despite the low interest rate environment
- Expenses increased by 3% and included EUR 30m higher regulatory levies at EUR 127m
- Low impairment charges at EUR 63m, resulting in a cost of risk of 9bps

Progress on financial targets

Return on equity	13.2%
Cost/income	60.2%
Fully loaded CET1	16.9%
Dividend pay-out ratio (FY2017)	50%

New management structure to support the strategy

New governance and leadership structure [1)]

- Statutory Executive Board represented by CEO, CFO and CRO
- Executive Committee consists of
  - Executive Board
  - 4 business lines to reflect more importance to clients and businesses
  - 2 enabling functions with a bank-wide approach to focus on innovation and transition to a new culture
- New leadership structure reflects
  - importance of clients and businesses
  - more focus on commercial activities at senior executive level
  - goal to become a more agile and efficient organisation

Overview of the new management structure

Executive Board ABN AMRO Group & ABN AMRO Bank

Chief Executive Officer	Chief Financial Officer	Chief Risk Officer

Business lines		Enablers
CEO Retail Banking	CEO Private Banking	Chief Innovation & Technology
CEO Commercial Banking	CEO Corporate & Institutional Banking	Chief Transformation & HR

Executive Committee ABN AMRO Bank consists of the Executive Board, 4 business lines and 2 enablers

1) Announced 6 Feb 2017, implementation becomes formally operational once regulatory approvals for appointments - to the extent required – have been received

Ambition to be a better bank contributing to a better world

Focus on sustainability

- Strategy & Sustainability as a direct responsibility of CEO
- Sustainability ambition gives direction to client strategy and employees
  - Sustainability Risk policy
  - Constructive and open dialogue with stakeholders
  - Engagement with clients on a.o. climate, environmental and human rights impact
- Dedicated business experts and central policy & advice team. Board involvement on specific files
- Integrated Annual Report
- Recent developments
  - 40% diversity of senior management as a result of recent management changes
  - Carbon Risk Framework
  - Publication of the first ABN AMRO Human Rights report and annual conference on Human Rights
  - Circular Pavilion at ABN AMRO Head Quarters

Non Financial targets

Clients

Trust Monitor Score (scale 1-5)		Net Promoter Score		
		Retail	Private	Corporate
2016	2015	2016: **-15**	2016: **-1**	2016: **6**
3.1	**3.1**	2015: **-23**	2015: **-4**	2015: **-2**

Employees

Employee engagement[1]		Gender diversity at the top	
2016	2015	2016	2015
82%	**76%**	**25%**	**23%**

Society at large

DJ Sustainability Index		Sustainable clients assets (EUR bn)	
2016	2015	2016	2015
87	**78**	**8.2**	**6.4**

1) 2016 score based on revised measurement method.

Financial targets

Return on equity

10 – 13%

13.2% over Q1 2017

2014: 10.9%	2015: 12.0%	2016: 11.8%

Cost/Income ratio

56 – 58% by 2020

60.2% over Q1 2017

2014: 60.2%	2015: 61.8%	2016: 65.9% 1)

CET1 ratio

11.5 – 13.5% fully loaded 2)

16.9% at 31 Mar 2017

YE2014: 14.1%	YE2015: 15.5%	YE2016: 17.0%

Dividend pay-out (dividend per share)

50% as from and over 2017 3)

50% over 2017

2014: 35% (0.43)	2015: 40% (0.81)	2016: 45% (0.84)

1) Excluding EUR 348m restructuring provision the FY2016 C/I ratio was 61.8%
2) A future CET1 of 13.5% is anticipated (following an expected SREP of 11.75% in 2019) and includes a P2G buffer and a management buffer
3) Management discretion and subject to regulatory requirements. The envisaged dividend-pay-out is based on reported net profit attributable to shareholders

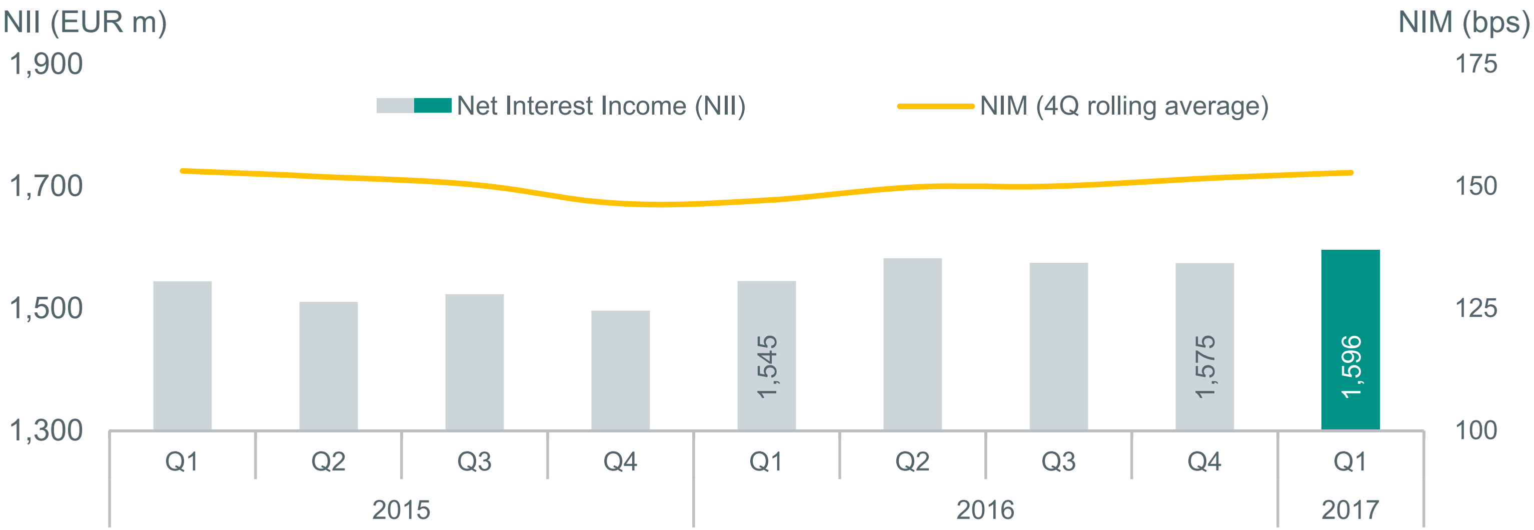
Good Q1 2017 result

EUR m	Q1 2017	Q1 2016	Delta	FY2016	FY2015	Delta
Net interest income	1,596	1,545	3%	6,277	6,076	3%
Net fee and commission income	435	435	-0%	1,743	1,829	-5%
Other operating income	215	-10		568	550	3%
Operating income	**2,246**	**1,971**	**14%**	**8,588**	**8,455**	**2%**
Operating expenses [1)]	1,353	1,319	3%	5,657	5,228	8%
Operating result	**893**	**651**	**37%**	**2,931**	**3,227**	**-9%**
Impairment charges	63	2		114	505	-77%
Income tax expenses	215	175	23%	740	798	-7%
Underlying profit	**615**	**475**	**30%**	**2,076**	**1,924**	**8%**
Special items [2)]	-	-		-271		
Reported profit	**615**	**475**	**30%**	**1,806**	**1,924**	**-6%**
Underlying profit						
− Retail Banking	326	276	18%	1,247	1,226	2%
− Private Banking	53	43	23%	199	214	-7%
− Commercial Banking	132	173	-23%	694	329	111%
− Corporate & Inst. Banking	88	0		182	268	-32%
− Group Functions	16	-18		-245	-112	
Net interest margin (bps)	156	151		152	146	
Underlying cost of risk (bps)	9	0		4	19	
Underlying earnings per share (EUR) [3)]	0.64	0.49		2.16	2.03	
Reported earnings per share (EUR) [3)]	0.64	0.49		1.87	2.03	
Dividend per share	n/a	n/a		0.84	0.81	

1) Q1 2017 includes a EUR 12m severance provision and EUR 127m regulatory levies. FY2017 regulatory levies are expected to be EUR 295m. FY2016 included EUR 253m regulatory levies (Q1 EUR 98m including a EUR 30m release, Q2 EUR 12m, Q3 EUR 24m, Q4 EUR 120m) and EUR 348m (Q3 EUR 144m, Q4 EUR 204m) restructuring provisions
2) An addition to the provision for SME derivatives of EUR 271m net of tax (EUR 361m gross) recorded in Q2 2016
3) Earnings consist of underlying/reported net profit excluding reserved payments for AT 1 Capital securities and results attributable to non-controlling interests

Interest income remains robust

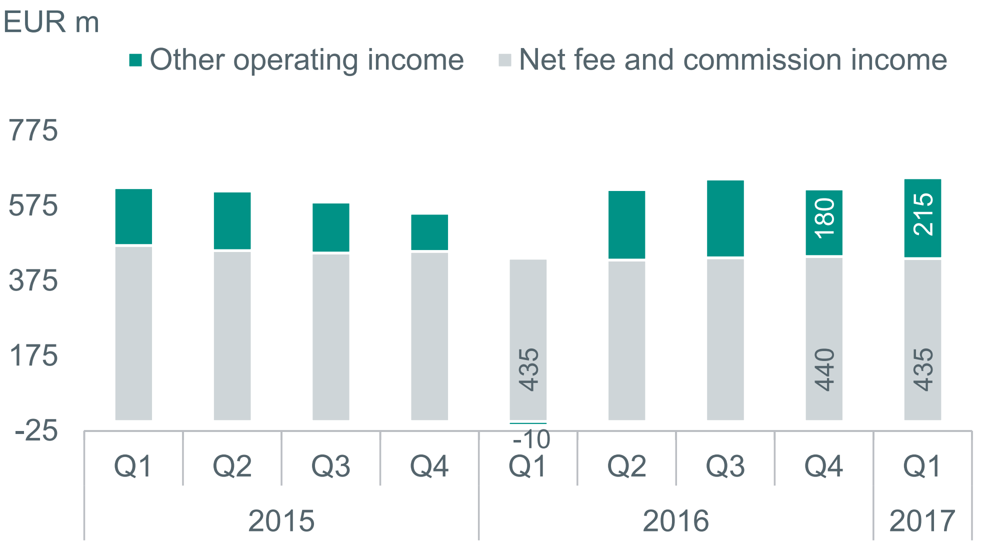
NII benefits from loan growth and lower savings rates



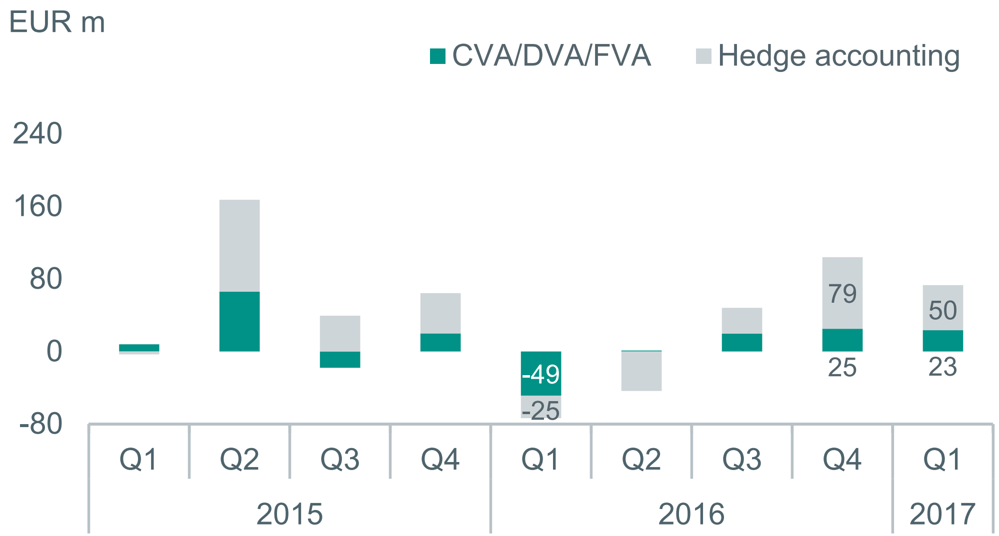
- NII remained robust, despite low interest rates: NII up 3% vs. Q1 2016, 1% vs. Q4 2016
- Q1 2017 NII increase predominantly driven by loan growth
- Rates were lowered further on the main retail savings products:
  - from 70bps at YE2015 to 25bps at YE2016
  - to 20 bps at the end of Q1 2017

Net Fee and Other operating income

Fee & other income



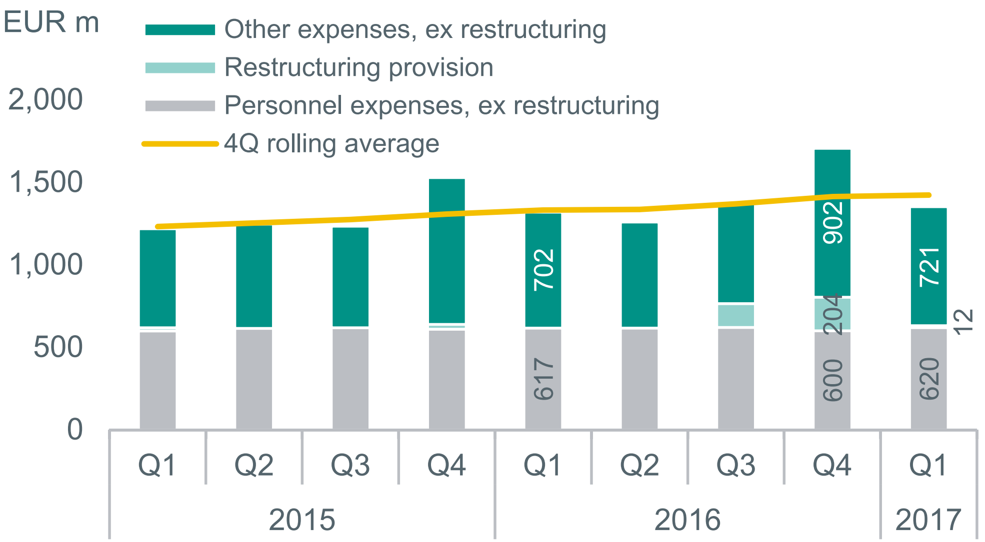
Volatile effects in CVA/DVA/FVA and hedge accounting



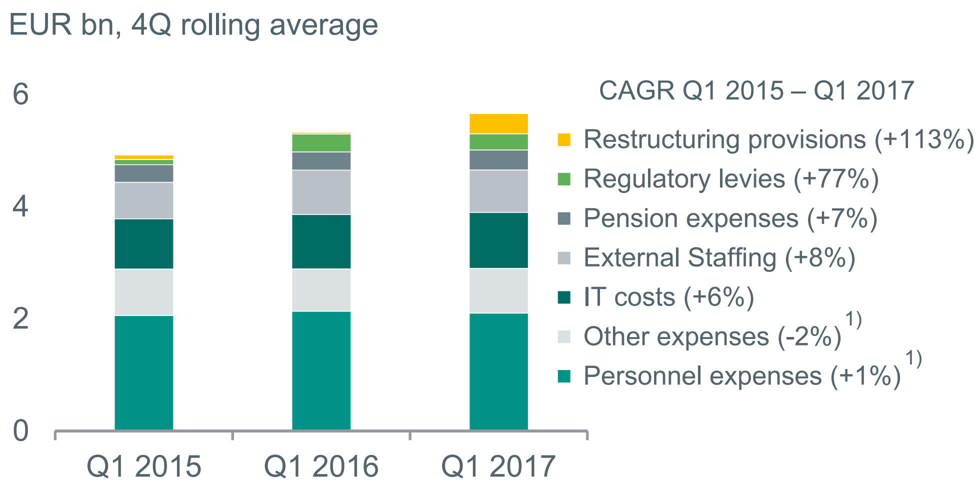
- Fee income was relatively stable over past five quarters: c. EUR 435m per quarter
- Fee income was flat vs Q1 2016: up in Private and Corporate & Institutional Banking, down in Retail and Commercial Banking
- Other operating income was up, mainly from CVA/DVA/FVA, hedge accounting and Equity Participations

Cost increase driven primarily by regulatory demands

Development operating expenses



Drivers operating expenses

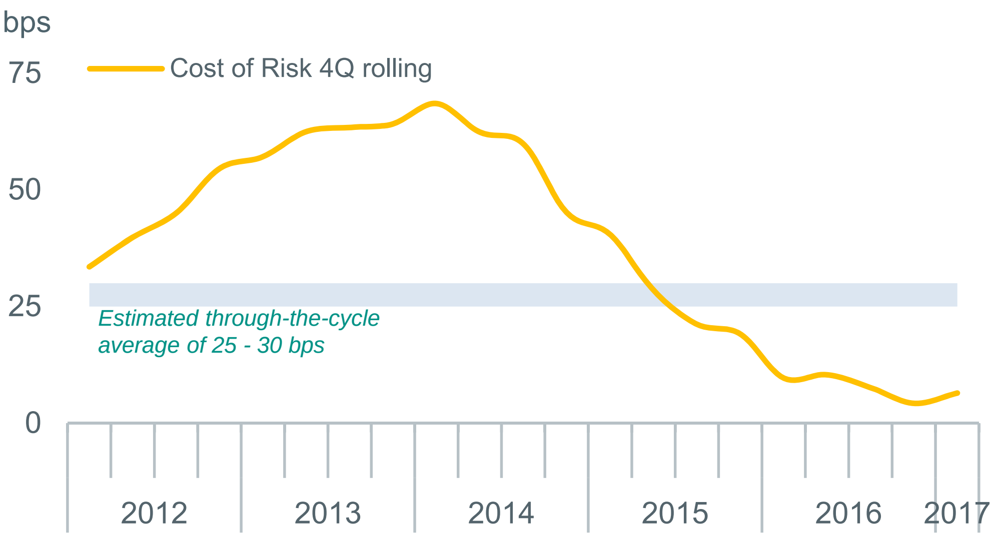


- Cost increased by 3% vs. Q1 2016, fully driven by EUR 30m increase in regulatory levies in other expenses
- Staff cost up, primarily driven by a severance provision (EUR 12m) related to the new management structure

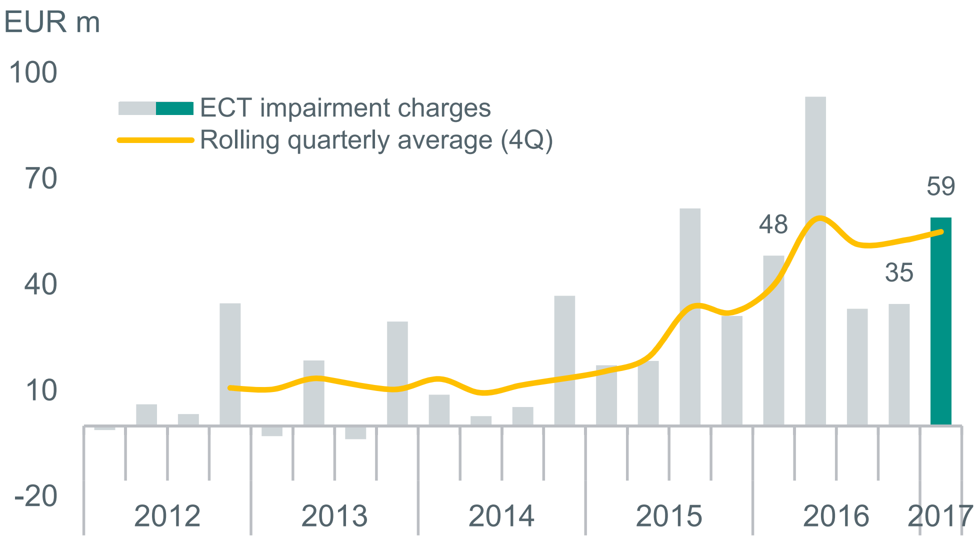
1) Personnel expenses and other expenses are excluding the sub categories for costs as shown in the chart

Continued low loan impairments

Cost of risk trend below through-the-cycle average

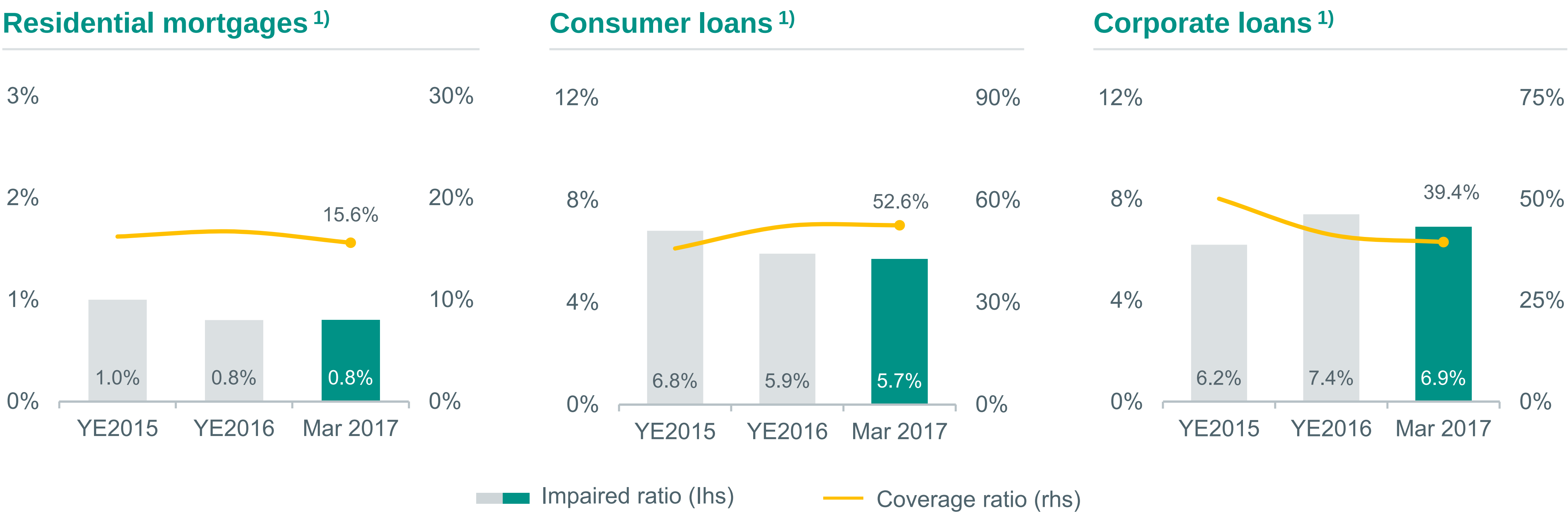


Elevated ECT Impairments



- Cost of risk declined since start of 2014 and remained with 9bps in Q1 (Q1 2016: 0bps) well below the through-the-cycle average of 25-30bps
- Impairments up in Q1 2017 vs Q1 2016, driven by IBNI: EUR 5m charge in Q1 2017 vs. EUR 81m release in Q1 2016
- ECT impairments were still elevated at EUR 59m in Q1 (Q1 2016: EUR 48m)

Risk ratios improve following a decline of impaired loans



- The volume of impaired customer loans declined to EUR 8.8bn or 3.2% (from 3.3% at YE2016)
  - Mortgages remained low at 0.8%
  - Impaired exposures and allowances for consumer loans continued to decline
  - Impaired corporate loans declined, despite elevated level of impaired loans in ECT
- The coverage ratio on loans & receivables customers decreased to 36.7% (YE2016: 38.4%) due to lower allowances

1) Definitions of default and impaired were aligned in Q3 2016. Defaulted clients without impairment allowances are now also defined as impaired. Comparable figures in the chart have been restated accordingly excluding the reclassification in allowances for impairments within residential mortgages

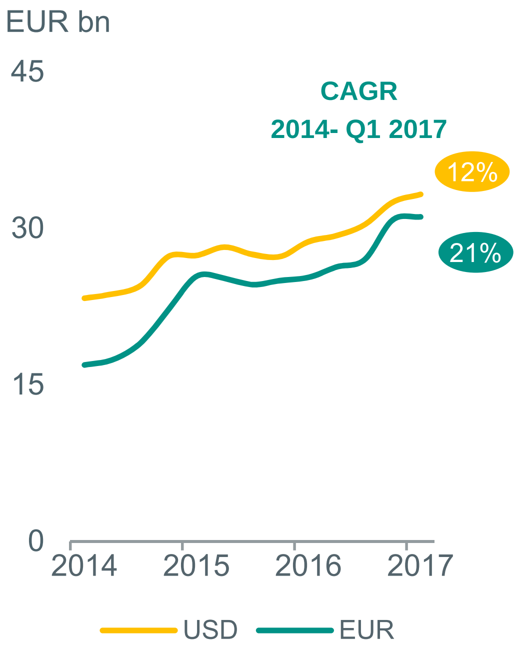
ECT Clients operates in typically cyclical sectors

- Serves internationally active ECT Clients, requires deep sector knowledge of underlying markets
- Market cyclicality is carefully considered when financing ECT Clients. Risk management and risk monitoring is intensified, especially in current challenging circumstances for Oil & Gas and Shipping

Exposures, Mar 2017 (EUR bn)	Energy	Commodities	Transportation	ECT Clients
Clients Groups (#)	c.160	c.310	c.200	c.660
On balance exposure	5.8	15.0	10.2	31.1
portion of Total L&R of EUR 274bn	*2.1%*	*5.5%*	*3.7%*	*11.3%*
Off B/S Issued LCs + Guarantees	0.9	7.6	0.1	8.5
Sub total	**6.7**	**22.5**	**10.3**	**39.6**
Off B/S Undrawn committed	3.0	3.2	1.1	7.3
Total	**9.7**	**25.8**	**11.5**	**46.9**

Risk data ECT Clients	2010	2011	2012	2013	2014	2015	2016	**Q1 2017**
Impairment charges (EUR m)	0	5	43	41	54	128	209	**59** [1)]
Cost of risk (bps)	1	5	31	29	29	56	83	**81**

On balance developments



1) Of which Energy EUR 11m, Commodities EUR 24m and Transportation EUR 25m

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