Green bond

presentation

May 2016
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Q1 2016 results
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.
Results

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

<table>
<thead>
<tr>
<th>EUR m</th>
<th>Q1 2016</th>
<th>Q1 2015</th>
<th>Delta</th>
<th>2015</th>
<th>2014</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>1,545</td>
<td>1,545</td>
<td>0%</td>
<td>6,076</td>
<td>6,023</td>
<td>1%</td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>435</td>
<td>470</td>
<td>-7%</td>
<td>1,829</td>
<td>1,691</td>
<td>8%</td>
</tr>
<tr>
<td>Other operating income</td>
<td>-10</td>
<td>154</td>
<td></td>
<td>550</td>
<td>341</td>
<td>61%</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>1,971</td>
<td>2,168</td>
<td>-9%</td>
<td>8,455</td>
<td>8,055</td>
<td>5%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>1,319</td>
<td>1,219</td>
<td>8%</td>
<td>5,228</td>
<td>4,849</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Operating result</strong></td>
<td>651</td>
<td>949</td>
<td>-31%</td>
<td>3,227</td>
<td>3,206</td>
<td>1%</td>
</tr>
<tr>
<td>Impairment charges</td>
<td>2</td>
<td>252</td>
<td>-99%</td>
<td>505</td>
<td>1,171</td>
<td>-57%</td>
</tr>
<tr>
<td>Income tax expenses</td>
<td>175</td>
<td>154</td>
<td>14%</td>
<td>798</td>
<td>484</td>
<td>65%</td>
</tr>
<tr>
<td><strong>Underlying profit for the period</strong></td>
<td>475</td>
<td>543</td>
<td>-13%</td>
<td>1,924</td>
<td>1,551</td>
<td>24%</td>
</tr>
<tr>
<td>Special items and divestments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-417</td>
</tr>
<tr>
<td><strong>Reported profit for the period</strong></td>
<td>475</td>
<td>543</td>
<td>-13%</td>
<td>1,924</td>
<td>1,134</td>
<td>70%</td>
</tr>
</tbody>
</table>

Underlying return on avg. equity (%)  
- incl. levies pro-rata1 (%)  
Underlying cost/income ratio (%)  
- incl. levies pro-rata1 (%)  
Net interest margin (bps)  
Underlying cost of risk (bps)  
Underlying earnings per share2 (EUR)  
Reported earnings per share2 (EUR)  
Dividend per share3 (EUR)

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 AT1 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.
Financial targets

**Cost/Income Ratio**

<table>
<thead>
<tr>
<th></th>
<th>FY2014</th>
<th>FY2015</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>56 – 60%</strong> (2017)</td>
<td>60.2%</td>
<td>61.8%</td>
<td>65.3%</td>
</tr>
</tbody>
</table>

**Return on Equity**

<table>
<thead>
<tr>
<th></th>
<th>FY2014</th>
<th>FY2015</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>10 – 13%</strong> <em>(in the coming years)</em></td>
<td>10.9%</td>
<td>12.0%</td>
<td>11.5%</td>
</tr>
</tbody>
</table>

**CET1 Ratio**

<table>
<thead>
<tr>
<th></th>
<th>FY2014</th>
<th>FY2015</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>11.5 – 13.5%</strong> <em>(fully loaded)</em></td>
<td>14.1%</td>
<td>15.5%</td>
<td>15.8%</td>
</tr>
</tbody>
</table>

**Dividend Pay-Out**

<table>
<thead>
<tr>
<th></th>
<th>FY2014</th>
<th>FY2015</th>
<th>2016T</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>50%</strong> <em>(as from and over 2017)</em></td>
<td>35%</td>
<td>40%</td>
<td>45%^2</td>
</tr>
</tbody>
</table>

**Notes:**

1. Including the full year impact of levies (estimated around EUR 265m pre-tax) allocated equally over the year. These levies are the 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 and allocated equally over the year.

2. Management discretion and subject to regulatory requirements. The envisaged dividend pay-out ratio is based on the annual reported net profit after deduction of coupon payments on capital instruments that are treated as equity instruments for accounting purposes.
CET1 fully loaded capital target and dividend pay-out target

- Steady improvement in CET1

- Steadily increasing dividend

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

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 Digitalisation¹

EUR m

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
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
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

- 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 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.
Basel III capital position

Capital further strengthened

<table>
<thead>
<tr>
<th>CRD IV capital, EUR m</th>
<th>31 Mar 2016</th>
<th>YE2015</th>
<th>YE2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Equity (IFRS)</td>
<td>17,963</td>
<td>17,584</td>
<td>14,877</td>
</tr>
<tr>
<td>Other</td>
<td>-1,014</td>
<td>-817</td>
<td>549</td>
</tr>
<tr>
<td>CET1</td>
<td>16,949</td>
<td>16,768</td>
<td>15,426</td>
</tr>
<tr>
<td>Innovative instruments</td>
<td>-</td>
<td>700</td>
<td>800</td>
</tr>
<tr>
<td>AT1 capital securities</td>
<td>993</td>
<td>993</td>
<td>-</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>-148</td>
<td>-234</td>
<td>-241</td>
</tr>
<tr>
<td>Tier 1</td>
<td>17,794</td>
<td>18,226</td>
<td>15,985</td>
</tr>
<tr>
<td>Sub-Debt</td>
<td>5,612</td>
<td>4,938</td>
<td>5,502</td>
</tr>
<tr>
<td>Excess T1 recognised as T2</td>
<td>-</td>
<td>300</td>
<td>200</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>-17</td>
<td>-33</td>
<td>-39</td>
</tr>
<tr>
<td>Total capital</td>
<td>23,390</td>
<td>23,431</td>
<td>21,648</td>
</tr>
</tbody>
</table>

- Capital ratios improved through profit retention, capital issuances and a slight decrease in RWA partly offset by redemptions
- RWA decreased by EUR 1bn vs. YE2015 to EUR 107bn by 31 March 2016
- Fully loaded leverage ratio decreased to 3.7% in Q1 due to a seasonal increase in balance sheet volume

Capital ratio developments (phase-in)

Capital ratio developments (phase-in)

Leverage ratio developments

As of 2015 the Commission Delegated Regulation (CDR) rules apply for ABN AMRO
Well diversified mix of wholesale funding

Funding focus & successful strategy
- Diversifying funding sources
- Steering towards more foreign currencies
- Lowering the short term wholesale funding dependency
- Lowering dependency on secured funding
- Lengthening the avg. maturity to 4.8yrs in Q1 (3.6yrs YE2011)
- Reducing the refinance risk by smoothening the wholesale funding maturity profile

Diversification issued term funding
The majority of long-term funding was raised in senior unsecured with 24% in non-EUR currencies

Maturing vs. issued term funding
EUR 11.7bn of long term wholesale funding matures in FY2016. EUR 5.1bn (incl. EUR 1.6bn T2) was issued in Q1 2016
Maturity calendar and funding profile

Funding profile improved

- Last few years the profile changed from senior secured to senior unsecured funding
- Especially use of securitisation¹ declined strongly
- Smooth and controlled redemption profile in long term wholesale funding
- Outstanding total funding instruments, as percentage of total assets decreased slightly to 23.2% at 31 March 2016 (YE2015 23.8%, YE2013 27.1%)¹
- Asset encumbrance trending down to 15.7% YE2015 (19.1% YE2013)²

Maturity calendar LT funding¹ at 31 Mar 2016

Funding structure by funding type³

Note(s):
1. Based on notional amounts. Securitisation = Residential Mortgage Backed Securities, other Asset Backed Securities and long-term repos. Other LT funding = other LT funding not classified as issued debt which includes long-term repos, TLTRO funding and funding with the Dutch State as counterparty
2. Calculation is aligned with the EBA definition. The EBA provided guidance in 2014 stating that cash receivable in securities borrowing and reverse repurchase transactions are not encumbered. These are also no longer considered pledged. Comparative figures have been adjusted to reflect the correct underlying trend
3. Based on book value as % of balance sheet total
Sustainability Approach
ABN AMRO’s approach to sustainability

**Sustainability embedded in the strategy**

- One of the strategic pillars is to ‘Invest in our future’
- This strategic pillar covers ABN AMRO’s Sustainability ambitions

**Invest in our future**

- **Enhance client centricity**
  - Quality and relevance of advice
  - Using technology to better serve our clients
  - Continue Customer Excellence

- **Invest in our future**
  - Positively recognised on sustainability and transparency
  - Re-engineer IT landscape & optimising processes
  - Recognised as top class employer

- **Strongly commit to a moderate risk profile**
  - Optimise balance sheet
  - Further diversification
  - Good capital and liquidity position

- **Pursue selective international growth**
  - Capability-led
  - Fitting moderate risk profile
  - Fitting efficiency focus

- **Improve profitability**
  - Improve top-line revenues
  - Continue focus on costs
  - Manage on the basis of risk-adjusted return
Priorities translated into an actionable strategy

**Sustainable business operations**
- Compliance
- Workforce diversity and inclusion
- Employee health and safety
- Environmental impact

**Clients' interests centre stage and sustainable relationships**
- Privacy of clients
- Security of clients
- Stability of our digital services
- Mortgage policy

**Sustainable finance and investment services**
- Policy framework
- Sustainable financing
- Sustainable investment
- Sustainable banking products and services

**Financial expertise for the benefit of society**
- Partner of the Future
- Social entrepreneurship
- Sharing sector-specific knowledge

Inspire and engage our people

Better world

Better bank

A better bank contributing to a better world
## ABN AMRO metrics on sustainable indicators for 2017

<table>
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<tr>
<th>Strategic pillar</th>
<th>Goal</th>
<th>Metrics for 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sustainable business operations</strong>&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>In our efforts to make our own business operations more sustainable and transparent, we act within the letter and spirit of the laws and standards for financial services provision.</td>
<td>‣ Carbon emission reduction (to be defined in 2016)&lt;br&gt; ‣ Gender diversity: women to be placed in 30% of upper middle management positions and 25% of senior management positions&lt;br&gt; ‣ A score of &gt;180 points on the Transparency Benchmark</td>
</tr>
<tr>
<td><strong>Client centricity and sustainable relationships</strong></td>
<td>We offer clients safe and reliable services by combining highly secure and stable systems with client centricity.</td>
<td>‣ Increase the Net Promoter Score by 10% by 2017 compared with 2015&lt;br&gt; ‣ Increase the Trust Monitor score by 15% by 2017 compared with 2015</td>
</tr>
<tr>
<td><strong>Financial expertise for the benefit of society</strong></td>
<td>We increase our contribution to a sustainable society by putting our expertise to use in practical and systemic issues.</td>
<td>‣ Have 40% of our employees volunteer through ABNAMRO Foundation or other social projects&lt;br&gt; ‣ Increase our social impact on key themes (to be defined in 2016)</td>
</tr>
<tr>
<td><strong>Sustainable finance and investment services</strong></td>
<td>We enhance the bank’s positive value creation by transparently integrating ESG criteria into our investment advice and lending.</td>
<td>‣ ESG/ESE criteria to be integrated into our investment advice and lending (to be defined in 2016)&lt;br&gt; ‣ To be recognised as a sustainable bank by our clients (to be defined in 2016)</td>
</tr>
</tbody>
</table>

**Note(s):**<br>1). See Annex for performance on sustainable indicators
Sustainable banking strategy and policies focus on four key areas

**Operational policies in place for**
- Lending
- Investment
- Procurement
- Product development

**Project-specific policy**
- We are one of the initiators of the Equator Principles, Equator Principles III now applied
- Ensures projects are developed in a socially responsible way and comply with solid environmental guidelines

**Sector specific policy**
- Sustainability policies in place for: Agriculture, Chemicals and Pharma, Defence, Energy, Extractive Industries, Manufacturing, Real Estate and Transportation
- Policies describe procedures and address issues for dealing with sustainability issues within

**Cross-sector policy**
- Apply to all activities across the bank and to all relations established with third parties on
  - human rights
  - climate change
Assessing ESE risks in ABN AMRO’s lending operation via integrated tooling

**Global Sustainability Risk Indicator tool**

- Global Sustainability Risk Indicator (GSRI) integrates tooling in Commercial Banking credit origination process for better determining, understanding and more extensive reporting on Environmental, Social and Ethical (ESE) risks.
- GSRI applies the ABN AMRO Sustainability Risk Policies on an operational level by providing Relationship Managers with a practical tool to assess client’s sustainability risk.
- GSRI generates a custom made questionnaire based on sector and country. The combination provides an initial risk indication (“High, Medium or Low”). The client performance of all “High” and “Medium” scores will be assessed, resulting in a client specific rating (At Par, Under Par, Above Par [Par = ABN AMRO policy]). All “High” scores needs an extra 2nd line advice by Sustainable Banking department (“Endorsed, Endorsed with conditions of Not endorsed”).
- Eligible transaction one obligo exposure > € 1mio

**Risk determination**

1. Identify sustainable risk of transactions

**Assessment**

2. Determine risk level > low – medium – high
   - Perform adequate due diligence

**Approval**

3. Meets requirements > standard procedure
   - Does not meet requirements > extra monitoring, conditions or withdrawal

**Monitoring and Reporting**

4. Meets requirements > standard procedure
   - Does not meet requirements > progress report and supervision report
As a next step ABN AMRO wants to involve clients, employees, suppliers and other stakeholders in contributing to a sustainable society and to align these in our sustainability ambitions.

**Long-term stakeholder value: the heart of our story**

**Individuals**
- Sustainable wealth management
- Sustainable living
- Sustainable everyday banking

**Businesses**
- Social entrepreneurship
- Clean and safe energy
- Value chain innovation

**Employees**
- Think about sustainability and apply it in daily work
- Inspiration leads to innovation

**Other stakeholders**
- Engaging with these stakeholders
  - Two-way street
  - Relevance to society
Continuous stakeholder dialogue to balance business and societal needs

Insights from stakeholder discussions in 2014

Dialogues in 2015 and 2016

- In 2015, three stakeholder dialogues have been organised. Topics discussed:
  - E&S impact lending and investments
  - Security, stability and privacy on financial transactions
  - Integrity, trust and responsible taxation
- In 2016 we plan five stakeholder dialogues
  - to establish a materiality matrix as an addition to our 2014 matrix
  - on Climate change and impact on our business
  - on privacy / protection of customer data related to trust in sector (digital)
  - on human rights related to our business
  - on Trust: culture / ethics / integrity in the financial sector
- Results of our dialogues are made publicly available at www.abnamro.com/en/sustainable-banking/stakeholders/index.html

The most material topics

**Sustainable Business Operations**
1. Compliance with law and regulations
3. Health of our employees and the safety of the working environment
5. The diversity of our workforce
6. Our organisation's environmental impact

**Clients’ interest centre stage and sustainable relationships**
8. The privacy of clients’ financial transactions
9. The security of clients’ financial transactions
10. The stability of our digital services

**Financial expertise for the benefit of society**

**Sustainable finance and investment services**
13. Safeguarding human rights, health and safety and the environment in financing and investment
14. Offering sustainable products and services
15. ESG / ESE in financing and investment

The lesser material topics

**Sustainable Business Operations**
2. Preventing corruption and fraud
4. Responsible tax policy
7. Responsible remuneration policy

**Clients’ interest centre stage and sustainable relationships**
11. Mortgage policy

**Financial expertise for the benefit of society**

**Sustainable finance and investment services**
An ideal sustainability background for a highly credible Green Bond

Sustainability commitment acknowledged

<table>
<thead>
<tr>
<th>Rating Agency/ Benchmark</th>
<th>Rating</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>78</td>
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</table>

As an overall indicator of how we are performing, we aspire to be in the top 15% of the Dow Jones Sustainability Index by 2017.

Oekom assessment

“ABN AMRO Bank N.V. was awarded a score of C and classified as “Prime”. This means that the company performed well in terms of sustainability, both compared against others in the industry and in terms of the industry-specific requirements defined by oekom research. In oekom research’s view, the securities issued by the company thus all meet the basic requirements for sustainable investments.

As at 03.05.2016, this rating puts ABN AMRO in place 15 out of 363 companies rated by oekom research in the “Financials / Commercial Banks and Capital Markets” sector.

In this sector, oekom research has identified the following issues as the key challenges facing companies in terms of sustainability management:

- Sustainability standards for the lending business
- Customer and product responsibility
- Sustainable investment criteria
- Employee relations and work environment
- Business ethics

In all of these key issues issuer achieved a rating that was above the average for the sector.

The company has a controversy level that is comparatively low. Yet, the company is involved in controversial environmental practices through a USD 50m loan to the pulp and paper producer APRIL which is involved in widespread deforestation in Indonesia. In March 2015 ABN AMRO announced that it would not renew the current funding to APRIL and that any future loans would be conditional on APRIL implementing new sustainability measures which address its involvement with deforestation.

Note(s):

2) Mortgage covered bonds
3) Uncovered bonds

Snapshot of sustainable initiatives in 2015

**Record year**
Our sustainable investments grew to EUR 6.4 billion in 2015. In this year, we introduced a new sustainability indicator for investments and tightened our policy on the violation of UN Global Compact principles.

**New Social Impact Bond**
In June 2015, we issued the largest Certified Climate Bond to date - with a notional amount of EUR 500 million. This Green Bond opens up the sustainable housing and property markets to investors.

**Sustainable Banking Newsletter**
In November 2015, we launched our newsletter Sustainable Banking: How and Why. The stories presented in our quarterly newsletter illustrate our current sustainability activities and dilemmas.

**Global Sustainability Risk Indicator tool**
We introduced the Global Sustainability Risk Indicator tool for Commercial Clients in October 2015. The tool helps us determine the sustainability risk involved in lending to specific clients.

**Lowering the threshold**
We lowered the threshold for the sustainable fund mandate to EUR 100,000, making it available to retail clients. This makes it possible for a larger group of clients to invest in sustainable assets.

**Threshold sustainable fund mandate (EUR)**
100,000

**Stakeholder dialogues**
We held 4 round-table sessions to talk to our stakeholders about a variety of themes that were put forward by those same stakeholders last year, for instance client privacy or human rights. This helped us to decide where we need to focus our efforts and what we can contribute, and indirectly how we can improve our policies.

**Ambition: most sustainable real estate bank**
In order to accelerate the transition to sustainable commercial property in the Netherlands, we have set the ambition of becoming the most sustainable real estate bank in the Netherlands.
ABN AMRO contributes strongly to the transition to sustainable CRE

### Transformation

#### Goals
- Goal 2018: 300,000 m²
- Goal 2015 & 2016: 150,000 m²

#### Results 2015 and 2016 ytd
- 15 offices transformed to residential buildings
- 100,597 m² vacancy withdrawn from the market
- In 2015 in NL 720,000 m² transformed
- Loan volume EUR 117m

### Energy transition

#### Goals
- Goal 2018: 30% A-label
- 0-measurement mid 2015: 1%

#### Results 2015 and 2016 ytd
- January 2016: 6% A-label
- 24 March launch Sustainable Investment tool
- 1 April start client meetings
- ABN AMRO €1 bn green fund

### Landmarks

#### Goals
- Goal 2018: 30 Landmarks. Landmarks are buildings that are leading examples in ways of sustainability

#### Examples
- The Edge
  - World’s most sustainable office building, located in Amsterdam
- Park 20/20
  - The first full service Cradle to Cradle business park in the world

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**Gerrit Zalm, January 2016:** “ABN AMRO strives to contribute to the economy in many ways. This applies also for Commercial Real Estate, where we focus on sustainability. This has positive effects on the quality of real estate collateral, the economy and the environment.”
Green Bond
Rationale green bond for ABN AMRO

Why green bonds?

- ABN AMRO has chosen Sustainability as one of its core values and business principles
  - By issuing green bonds ABN AMRO contributes to the reduction of CO₂ emissions
  - Green bonds create the perfect opportunity to connect sustainable parts of the business with dedicated investor demand
  - Increase awareness and discussion on sustainability criteria and business opportunities within the organisation
- ABN AMRO aims to offer sustainable products and services to its customers and investors

- Green bonds enable investors to participate in the energy transition of real estate combined with a moderate risk profile
- ABN AMRO is continuously looking for diversification of investor base and products

Green real estate focus

- For this second green bond, energy efficient renovations and transformations of existing commercial real estate have been added
- Proceeds will be used to (re)finance loans to green real estate including recently built buildings and energy efficient upgrades
- For the green bond, four assets categories are eligible:
  - Mortgage Loans for recently built energy efficient residential houses
  - GreenLoans for financing energy efficiency improvements and renewable energy measures on residential property
  - Recent commercial real estate loans for energy efficient buildings
  - Energy efficiency upgrades, renovations and/or transformations of (former) commercial real estate

The built environment is responsible for

- 40% of total EU energy consumption
- 36% of total EU CO₂ emissions

Note(s):
2) See Annex A for detailed description of the eligibility criteria
Fully aligned with Green Bond Principles


- ABN AMRO applies the Green Bond Principles 2015 edition for its second green bond as certified by oekom research.

- Green Bond Principles provide transparency to investors by ensuring availability of information necessary to evaluate the environmental impact of their green bond investments. These principles also provide guidance on the eligible assets, selection processes and the use of proceeds during the lifetime of the bond. Furthermore they assist underwriters in standardising disclosures to facilitate transactions.

Assurance

Oekom Second Opinion

- Oekom has defined a verification framework to evaluate sustainability performance and has verified compliance\(^1\) against those criteria, including alignment with the Green Bond Principles 2015.

Audit

- ABN AMRO will appoint KPMG or other external auditor to provide assurance on the allocation of the Green Bond proceeds to eligible assets or the investment of the unallocated proceeds in approved financial instruments.

- External audit takes place annually and is published within 120 days after the publication of the annual results via the ABN AMRO website, or sustainability reporting. 2015 assurance by KPMG of the inaugural green bond has just been released.

Climate Bond Initiative Certification

- We expect the Green Bond to receive the Climate Bond Standard certification\(^2\), confirming that the bond is aligned with CBI’s Real Estate standards and that assets are falling in the top 15% of the local market in terms of emissions performance or fulfil the CBI upgrade requirements.

Note(s):

1) For detailed information about oekom verification see Annex A
2) For detailed information about CBI certification see Annex A

ABN AMRO
Green bond framework in line with Green Bond Principles

1. **Use of Proceeds**
   - Eligible Green Bond Categories: Renewable Energy and Energy Efficient buildings
   - Certification on CBI standard for real estate

2. **Process of Evaluation and Selection**
   - Strict pre-defined eligibility criteria
   - Evaluation and selection procedures
   - Loans selection by asset owner using agreed criteria
   - Approval of allocation by management

**Use of proceeds: eligible loans**

The proceeds of this green bond will be exclusively used to (re)finance **Renewable Energy** and **Energy Efficiency** loans:
1. Residential mortgage loans for new energy-efficient houses
2. Commercial real estate loans for energy-efficient buildings
3. Loans to finance energy efficiency expenditures for existing and new residential housing and renewable energy (Solar PV) investments
4. Renewable energy and energy efficiency upgrades, renovations and transformations of (former) commercial real estate

The loans are originated in the Netherlands and held by ABN AMRO directly or by one of its affiliates.

**Process of evaluation and selection**

- The selection is based on eligibility criteria as defined by ABN AMRO (see Annex)
- In addition, oekom comprised a list of additional sustainable criteria and verified the sustainable quality against those criteria
- The selection of assets based on these criteria is carried out by the respective asset owners, who provide a pre-defined monthly report, which is reviewed by treasury officers.
- Management of Treasury will approve final allocation of proceeds of the green bond towards eligible loans
- Changes of the green bond framework or eligibility criteria will be approved by at least one sustainability officer
3 Management of Proceeds

- Tracking of Green Bond Proceeds
- Establishment of earmarking process to manage and account for funding to the nominated assets
- Non-allocated proceeds are invested in sustainable instruments

4 Reporting

- Quarterly Reporting on use of proceeds
- Annual impact reporting
- Second party opinion oekom
- Annual Assurance by KPMG
- Third party certification CBI (Expected)

Management of proceeds

- The net proceeds of the bonds will be moved to a Green Bond portfolio
- ABN AMRO seeks to ensure that the bond proceeds can be fully directed to the eligible loans by limiting the total issued amount to be 80% of eligible loans at time of issuance
- On a best efforts basis ABN AMRO aims to allocate an amount equivalent to the net proceeds of the bonds towards eligible assets and replaces assets with other eligible assets in case loans are no longer eligible or early repaid
- In case not enough eligible assets are available, net issue proceeds will be invested in short-term, liquid money market instruments from issuers which are rated ‘Prime’ or better by oekom

Reporting

Quarterly reporting on use of proceeds, showing:

- Allocated assets including a breakdown by asset type
- Total outstanding amount of green bond transactions
- Unallocated proceeds invested in short term financial products

Annual impact reporting

- Environmental impact and energy performance (energy consumption decrease, CO₂ emissions avoided)
- Sustainability performance for commercial real estate
- Additional details are provided ABN AMRO’s Green Bond Framework version 2.0 and oekom report

Note(s):
1) For an impact report example see annex
2) All reports to be published on the ABN AMRO website
Additionality

The added value of this green bond

Eligibility criteria
- ABN AMRO has developed a detailed green bond framework to ensure a robust green bond
- ABN AMRO’s first Green Bond was approved by oekom’s sustainable bond ratings and is rated A-, the first bond to reach the highest score to date.
- With high eligibility standards ABN AMRO aims to stimulate the green bond market and lead by example

Green Bond Structure
- ABN AMRO has set high standards on transparency, following the 2015 edition of the Green Bond Principles (ABN AMRO is an Underwriter of the GBP’s since 2014)
- NGO and investor preferences and feedback are taken into consideration in the structure of this Green Bond and will be for future issuances
- Commitment to include more than 25% of new lending following green bond eligibility criteria during the lifetime of the bond to replace maturing loans while at the same time a full allocation to green proceeds from day one

Future
- As ABN AMRO intends to be a regular issuer. In the future we will also look to include other types of “use of proceeds” categories like for example renewable energy projects
- Awareness about Sustainability within the whole organisation is strengthened, leading to new initiatives and strategic discussions both internally as well as with clients
- ABN AMRO was the first Dutch bank using both residential mortgages and commercial real estate in a Green Bond. By sharing our framework and setting ambitious targets ABN AMRO seeks to encourage other issuers to make the step into sustainable financing and reducing the carbon footprint of the sector
- We aim to play a leading role in the further development of the green bond market with the goal to increase sustainable investments and green bond issuance

Source: oekom 20/04/2016

ABN AMRO’s Inaugural green bond
Portfolio review (based on EUR 500m portfolio)

Portfolio composition by outstanding loan size

- 87% Green loans
- 11% Mortgages
- 2% Offices
- 0% Retail housing

Portfolio composition by maximum loan size

- 67% Green loans
- 31% Mortgages
- 2% Offices
- 6% Retail housing

Residential mortgages

For 100% of residential housing:

- The requirements of the Dutch Building Decree 2012 are fulfilled
- Buildings are at least 25% more energy efficient than the highest available energy label “A”
- An energy performance certificate of “A” (on scale G to A) is obtained
- The energy performance falls within the top 15% of the total Dutch housing stock

Commercial real estate

- 100% of newly constructed offices obtained or will obtain a BREEAM “Very Good” certificate or better after completion of the building phase
- 100% of buildings have obtained an energy label “A” (on scale G to A+++), of which 6% a “A+++” label
- 4 out of 8 energy efficiency upgrades projects accounting for 25% of the used floor space, will obtain or have obtained a BREEAM “Very Good” certificate or better

GreenLoans

- The loans finance solar panels with a total annual energy production of 875 kWh/kWp
- Over the lifespan of a solar panel of about 25 years, the avoided CO₂ emissions are approximately 60 million kg
- Additional reduction will result from energy efficiency improvements but given the wide variety of measures no accurate indication of impact can be provided

1) Composition when all loans will be fully drawn as planned
2) kWh/kWp: kilowatt hour per kilowatt peak
Impact reporting (based on EUR 500m portfolio)

**CO2 reductions per loan in tons**

<table>
<thead>
<tr>
<th></th>
<th>Per year</th>
<th>Per 5 years</th>
<th>Per 7 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage</td>
<td>2,913</td>
<td>14,565</td>
<td>20,391</td>
</tr>
<tr>
<td>GreenLoans</td>
<td>2,383</td>
<td>11,915</td>
<td>16,681</td>
</tr>
<tr>
<td>Commercial real estate</td>
<td>2,268</td>
<td>11,340</td>
<td>15,876</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,565</strong></td>
<td><strong>37,820</strong></td>
<td><strong>52,948</strong></td>
</tr>
</tbody>
</table>

Equivalent to annual greenhouse gas emissions from¹:

- 1,593 passenger vehicles
- 17,593 barrels of oil consumed

**CO2 reduction per year per EUR 10m invested**

|                      | 151 tons |

Equivalent to annual greenhouse gas emissions from:

- 31,9 passenger vehicles
- 352 barrels of oil consumed

**Annual CO2 reduction vs Dutch average level**

- Commercial Real Estate: 56%
- Residential Mortgages: 38%
- Energy Eff. Upgrades: 31%

**CO2 saving distribution (%) per asset class**

- Residential mortgages: 39%
- GreenLoans: 31%
- Commercial real estate: 30%

Note(s):


Source: ABN AMRO, W/E Consultants report 9047: CO₂-emission calculations for the second Green Bond of ABN AMRO
ABN AMRO’s Pavilion

ABN AMRO’s Pavilion project will not only focus to become Energy and CO2 neutral but also has strong emphasis on materials that do not lose value and can be re-used in the future, also known as circular economy materials. It aims for at least a BREAAM-NL “Excellent”. The buildings will make use of PV-panels to generate energy, CO₂ from meeting rooms will be transported to the “greenhouse” on top of the building to provide plants with rich air, and water saving measurements are used throughout the building. For example, grey water toilets or if possible vacuum toilets that do not use water at all.

ABN AMRO office Alkmaar

The ABN AMRO office in Alkmaar is the first Energy and CO₂ neutral bank office building in the Netherlands. The building is fully energy self-sufficient. With the use of solar panels on the roof and a small windmill, the building operates CO₂ neutral. In addition, with the innovate use of salt crystals (face-changing-materials), who are cooled during the night and cool the inner climate during the day. The building received a Dutch energy label A+++ and BREEAM “Outstanding” certification.
Summary

Green Bond Rationale

- ABN AMRO has Sustainability as one of its core values and business principles. Sustainability has become an integral part of ABN AMRO's long term strategy. Green bonds create the perfect opportunity to connect sustainable parts of its business with dedicated investor demand.

- ABN AMRO supports the Dutch Energy Agreement which aims to have all new buildings to be almost energy neutral in 2020 to move the average housing population to an “A” energy label in 2030.

Green Bond Structure

- Focus on new and upgraded sustainable real estate, first commercial bank to use energy efficiency upgrades for buildings.
- Aligned with Green Bond Principles.
- Positive second party opinion from oekom research.
- Expected certification by Climate Bond Initiative real estate standards.
- All projects meet specific and demanding sustainability criteria that are clearly defined and verifiable using quantitative indicators.
- Quarterly reports on the management of flow of funds.
- Independent impact report prior to issuance and annually during lifetime of the bond.
- Non-allocated proceeds will be invested in sustainable money market products with an oekom “Prime” rating.
- KPMG as external auditor will provide assurance on use of proceeds.
- More than 25% of new financing during the lifetime of the bond to replace maturing loans.
- Full allocation to green proceeds from day one.
In the above chart, the performance of the inaugural green bond of ABN AMRO can be seen versus the regular comparable bond.
Annex
How we create value

Social and Relationship Capital
We forge and maintain cooperative relationships with our key stakeholders – clients, investors, employees and society at large – to make us a better bank and a good corporate citizen.

Financial Capital
We use financial capital to invest in our activities, including reserves generated through equity, customer deposits and other funding sources.

Human Capital
We need talented and committed employees to make a difference for our clients, now and in the future. As of year-end 2015, we had 22,048 FTEs based in the Netherlands and abroad.

Intellectual Capital
This includes our specialised financial skills and expertise based on our strong Dutch and local brands abroad, and innovative capabilities we use to develop the best solutions and optimise the customer experience, as well as our in-depth sector knowledge across 15 different industries.

Natural Capital
This relates to the natural resources on which we depend to create value for all our stakeholders. The direct environmental impact of our operations is relatively limited; the bank’s primary energy footprint consists of carbon emissions and waste generation.

Technological Capital
This consists of tangible and intangible infrastructures that we use to conduct our business activities. We are heavily dependent on our IT infrastructure for the continuity of our operations.

How we create value

Our ambition is to build on our client-centric approach and to make our clients promoters by giving them the best experience. We continue to monitor and address the public’s trust in ABN AMRO and in the financial industry. By actively engaging other stakeholders through dialogue and acting on material issues raised, we continue to strengthen our cooperative relationships with them.

One of our key activities involves providing loans and advances to individuals, small businesses as well as corporates. We contribute to a strong and stable financial sector through our moderate risk profile. Our management actions, combined with improvements in the Dutch economy, have contributed to an improving ROE which underpins our dividend paying capacity. We invest in major initiatives such as TOPS 2020 and Retail Digitalisation to further drive efficiency improvements.

Under our Top Class Employer strategy, we aim to attract, develop and retain the best people by defining a strong corporate identity, creating a culture of excellence and helping employees create their best place to work. We continue to make progress in the area of diversity, focusing on gender, cultural background and disability.

We continuously strengthen our advisory capabilities, expand our digital offering and reshape our distribution model to respond to changing client needs. We actively pursue collaboration with external parties to extend our innovative capabilities. As part of our contributions to society, we actively seek ways to offer our financial expertise, including sharing sector-specific knowledge and promoting social entrepreneurship.

One of our priorities is to reduce our environmental footprint by making our operations more sustainable. We aim to decrease energy consumption by 2017 by 20-30% compared with 2012. Another way we contribute to society is by embedding our sustainability approach in our financing to corporates and investment services to retail and private clients.

We deliver value to our clients through a stable, secure and robust IT landscape with a high availability of systems and low losses from cybercrime and fraud. We are currently in the process of re-engineering and simplifying our IT landscape and accelerating the digitalisation of client processes, enabling us to be more agile and ready for the future.

Main output 2015

- Change in Net Promoter Score
  - RetailBanking: +1
  - PrivateBanking: +2
  - CorporateBanking: +2
- Client satisfaction (% clients rating 7): 78
- Trust Monitor score: 3.1 (scale 1 to 5)

- ROE: 12.0%
- CET1 ratio: 15.5%
- C/I Ratio: 61.8%
- Dividend per share: EUR 0.81
- Earnings per share: EUR 2.03
- Regulatory charges and taxes in the Netherlands: approx. EUR 1,912m

- Employee engagement score: 76%
- Global training costs as a % of total staff costs: 2.1%
- Female representation in upper middle management positions: 25%
- Female representation in senior management positions: 23%

- Number of times employees volunteered for the community: 10,045
- Digital Impact Fund: EUR10m
- Social Impact Fund: EUR10m

- % reduction in energy consumed since 2012: 33%
- CO₂ emissions per FTE: 1.95 tonnes
- Sustainable client assets: EUR6.4bn
- Groenbank sustainable financing: EUR 216m
- Waste generated per FTE: 181kg

- Availability of our digital services: 99.5%
- Number of households using Internet Banking: 5.8 million
- Applications decommissioned since 2014: Approximately 650
Eligibility criteria (1)

The proceeds of this Green Bond are used to finance and refinance mortgage loans for new residential housing, commercial real estate loans for the construction and financing of energy efficient buildings as well as for GreenLoans for financing solar panels and other energy efficient improvements installed on residential housing and commercial property.

Residential Mortgages

- Mortgage loans on new residential housing, which comply with the Dutch Building Decree 2012
- All mortgages are originated by ABN AMRO in the Netherlands

GreenLoans

- GreenLoans which finance renewable energy investments (Solar PV) related to residential property of clients originated by ABN AMRO or its affiliates
- For this bond we have added loans for Energy efficiency improvements
  1) These loans are originated via GreenLoans, part of ALFAM, which is a 100% subsidiary of ABN AMRO focusing on sustainable consumer loans

Note(s):
1) Examples are: alternative heating systems (pellet heating), heat pumps, floor, wall and roof insulation, energy efficient windows, doors and frames, heat recovery systems, EE pumps and fans, CO₂ controlled air ventilation systems, energy efficient boilers
Green bond framework: Eligibility criteria (2)

Commercial Real Estate (CRE)

Commercial Real Estate loans (offices, retail stores, residential housing projects, datacenters, leisure and logistics) include new and existing building projects, with the following eligibility criteria:

- Projects with an Energy Performance Certificate as issued with a minimum Energy Performance label of “A” or higher (currently ranging up to A++++ and down to G)
- First drawdown on loans has occurred after 1 January 2014

- For new offices, retail stores, data centers, Leisure and logistics: External certification\(^1\) is required within six months after completion, with a minimum of:
  - BREEAM “Very Good”
  - LEED “Gold”
  - GPR Building score “7,5”
  - RVO Green Funds sustainable building funding scheme 2010\(^2\)

- The client has a policy in place for sustainable new-build or for making the existing portfolio more sustainable. As a minimum, this policy complies with the legislation and regulations on the energy efficiency of real estate

- Accessibility by public transport to Offices only: located a maximum of 1km from two or more public transport modalities (bus, metro, train)

Note(s):

1) For premises with a gross floor area > 5,000m\(^2\) a completion certificate is necessary. For premises with a gross floor area < 5,000m\(^2\) an indicative label will be sufficient
2) The RVO Green funds scheme sustainable building 2010 or ‘Regling groenprojecten Duurzaam Bouwen 2010’ is part of the governmental green project framework managed by RVO. The guidelines include focus on energy performance of the building but also focus on sustainable produced wood.
Loans or investments of existing residential and/or commercial property where energy efficiency improvements have been made or will be made.

The requirements for these improvements are defined in line with the CBI real estate upgrade criteria:

- In case of a portfolio of buildings, the weighted average emissions reduction per square meter across the portfolio is 30% or higher for bonds with a tenor of 5 year. For longer maturities, the average required emissions reduction across the portfolio increases with 0.8% per year.

- In case of aggregation of energy efficiency upgrade projects, the individual projects should lead to an emissions reduction of at least 20%.

- In case of building transformation or a renovation that changes the characteristics of the building in such a way that a reliable calculation of energy efficiency improvement is not possible, the energy emissions reduction of the project will be evidenced by an Energy Performance Certificate labelled “A”, issued by RVO (Dutch Enterprise Agency) for the respective asset class.

- In case the renovation or transformation is not finalized yet, indicative measures will be used and a final score will be required six months after completion of the renovation/ transformation.

Note(s):
1) Climate Bond Initiative commercial real estate criteria: https://www.climatebonds.net/standard/green-buildings/commercial
Example quarterly green bond report

<table>
<thead>
<tr>
<th>ABN AMRO Bank N.V. Management of Flow Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of 31 March, 2016 (amount in € mln)</td>
</tr>
</tbody>
</table>

1. Proceeds from note issuance

| ABN AMRO Bank 0.75% notes due 9 June 2020 | € 500.0 |

2. Use of Proceeds

<table>
<thead>
<tr>
<th>Asset area:</th>
<th>Asset category:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy efficiency</td>
<td>Residential mortgages: € 410.3</td>
</tr>
<tr>
<td>Energy efficiency</td>
<td>Commercial real estate: € 79.7</td>
</tr>
</tbody>
</table>

subtotal energy efficiency: € 490.0

| Renewable energy                  | Solar Panels: € 10.0             |

subtotal renewable energy: € 10.0

| Total use of proceeds             | € 500.0                          |

3. Indicators

a. Percentage of note proceeds funding eligible green loans: 100%

b. Excess nett proceeds invested in short-term financial instruments: 0

Oekom research second party opinion

Aim & scope

- ABN AMRO commissioned oekom research to assist with the issuance of its second green bond by verifying and commenting on the added sustainable value of this bond using the criteria and indicators of a sustainability framework concept
- Oekom research mandate included the following:
  - Definition of a verification framework containing a clear description of eligible project categories and the social and environmental criteria assigned to each category
  - Verification of compliance of the (re)financed projects with the verification framework criteria
  - Verification of the alignment of the framework and projects with the Green Bond Principles, 2015 edition
  - Review and classification of ABN AMRO’s sustainability performance on the basis of the oekom corporate rating

Overall evaluation of ABN AMRO Green Bond

- ABN AMRO Green Bond’s framework, defined processes and (announced) disclosures are aligned with the Green Bond Principles
- ABN AMRO’s second Green bond is expected to be aligned with the real estate standards of the Climate Bond Initiative (subject to CBI board approval)
- The overall sustainable quality of the bond and the sustainability performance of each of the funded assets is Good
- ABN AMRO was awarded with a score of C and classified as “Prime”. This means that ABN AMRO performed well in terms of sustainability performance both compared against others in the industry and in terms of the industry-specific requirements as defined by oekom
- At 3 May 2016, ABN AMRO scored a 15th place out of 363 in the “Financials/Commercial Banks and Capital Markets” Sector
ABN AMRO expects to demonstrate compliance to the relevant standards. By the provision of:

» The ABN AMRO Green Bond Framework that clearly defines the Green Bond’s processes. These processes are aligned with the four pillars of the Green Bond Principles and meet the general requirements of the Climate Bond Standard

» A proof that the residential buildings financed by the Green Bond have achieved compliance with a building code that is equivalent to moving the buildings into the top 15% of the market in terms of emissions performance

» An overview on the GreenLoans for the installation of solar panels and energy efficiency measures on residential buildings

» A proof that the buildings in the commercial real estate portfolio financed by the Green Bond obtained (or will obtain) an energy label that is equivalent to moving the buildings into the top 15% of the market in terms of emissions performance

» A proof that the upgrade of building financed by the Green Bond achieve a carbon reduction target of 30% against a baseline for a 5 year green bond maturity or an increase of 0.8% for every additional year.
Dutch economic indicators (1/2)

**GDP**

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Eurozone</th>
<th>NL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>-0.4%</td>
<td>0.3%</td>
</tr>
<tr>
<td>2014</td>
<td>0.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2015</td>
<td>0.9%</td>
<td>0.2%</td>
</tr>
<tr>
<td>2016E</td>
<td>0.4%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

- 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

<table>
<thead>
<tr>
<th>Year</th>
<th>EU</th>
<th>NL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>-2%</td>
<td>-1%</td>
</tr>
<tr>
<td>2014</td>
<td>-2%</td>
<td>0%</td>
</tr>
<tr>
<td>2015</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>2016</td>
<td>2%</td>
<td>3%</td>
</tr>
</tbody>
</table>

- 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

<table>
<thead>
<tr>
<th>Year</th>
<th>EU</th>
<th>NL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>57</td>
<td>48</td>
</tr>
<tr>
<td>2014</td>
<td>57</td>
<td>54</td>
</tr>
<tr>
<td>2015</td>
<td>56</td>
<td>55</td>
</tr>
<tr>
<td>2016</td>
<td>54</td>
<td>54</td>
</tr>
</tbody>
</table>

- 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

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of houses sold (lhs)</th>
<th>Indexed price change yoy (rhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>2014</td>
<td>40%</td>
<td>10%</td>
</tr>
<tr>
<td>2015</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2016</td>
<td>-40%</td>
<td>-10%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Confidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>-15</td>
</tr>
<tr>
<td>2014</td>
<td>-17</td>
</tr>
<tr>
<td>2015</td>
<td>2</td>
</tr>
<tr>
<td>2016</td>
<td>6</td>
</tr>
</tbody>
</table>

**Unemployment**
- The Netherlands (end of period), source: CBS

<table>
<thead>
<tr>
<th>Year</th>
<th>Unemployment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>10%</td>
</tr>
<tr>
<td>2014</td>
<td>8%</td>
</tr>
<tr>
<td>2015</td>
<td>6%</td>
</tr>
<tr>
<td>2016</td>
<td>4%</td>
</tr>
</tbody>
</table>

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

- 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
## Complementary business lines

<table>
<thead>
<tr>
<th>Key highlights</th>
<th>Retail Banking¹</th>
<th>Private Banking¹</th>
<th>Corporate Banking¹</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Domestic business, c. 20-25% market share across all key products²</td>
<td>No. 1 in the Netherlands</td>
<td>Leading corporate bank in the Netherlands</td>
</tr>
<tr>
<td></td>
<td>C. 5 m retail clients and c. 300,000 small businesses (turnover &lt; EUR 1m)</td>
<td>Leading positions in Germany &amp; France</td>
<td>Strong presence in all segments</td>
</tr>
<tr>
<td></td>
<td>Upmarket positioning towards mass affluent segment</td>
<td>Presence in attractive Asian markets</td>
<td>Internationally active in: ECT Clients³, asset based finance and Clearing</td>
</tr>
</tbody>
</table>

### Income

- Stable income in mature market
- Stable generator of income, with gearing to market cycles
- Stable income with upside

### Profitability

- Efficient operations, with consistently high profits
- C/I: 58.3%
  - Profit: EUR 276m
- Attractive financial profile, with scale an important driver
- C/I: 81.6%
  - Profit: EUR 43m
- Efficient operations with impairments elevated. Room for further upside
- C/I: 70.2%
  - Profit: EUR 173m

### Capital

- Lower RWA intensity
- Oper. Inc./RWA: 11%
- Capital light
- Oper. Inc./RWA: 15%
- Higher RWA intensity
- Oper. Inc./RWA: 5%

### Funding

- Funding gap
- LtD: 151%
- Funding surplus
- LtD: 25%
- Funding gap
- LtD: 123%
ABN AMRO balance sheet composition

Clean and strong balance sheet reflecting moderate risk profile

- Strong focus on collateralised lending
- Loan portfolio matched deposits, long-term debt and equity
- Strategic focus to limit LtD ratio
- Limited reliance on short-term debt
- Limited market risk and trading portfolios
- Off-balance sheet commitments & contingent liabilities EUR 35.8bn

**ABN AMRO balance sheet composition**

**Balance sheet total 31 Mar 2016: EUR 415bn**

**Assets**
- Corporate loans 35%
- Consumer loans 5%
- Other customer loans 3%
- Mortgages 57%
- Cash and balances central banks 32%
- Derivatives 31%
- Other 11%
- Bank loans 22%
- Assets held for trading 5%
- Financial investments 10%
- Securities financing 8%

**Liabilities & Equity**
- Due to customers 55%
- Due to banks 32%
- Other 15%
- Liabilities held for trading 3%
- Derivatives 50%
- Senior Unsecured 42%
- Covered Bonds 31%
- Time deposits 8%
- Other 0%
- Savings deposits 40%
- Other 0%
- Subordinated debt 11%
- Other 0%

**Equity**
- 4%
- Other 13%
- Securities financing 6%
- Wholesale funding 22%
- Financial investments 10%
- Other 18%
- Cash and balances central banks 32%
- Derivatives 31%
- Bank loans 22%
- Assets held for trading 5%
- Other 11%

Due to customers 55%

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**Equity**
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- Other 13%
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- Wholesale funding 22%
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- Derivatives 31%
- Bank loans 22%
- Assets held for trading 5%
- Other 11%

Due to customers 55%
ECT Clients and oil price sensitivity

Exposures across selected clients active in ECT sectors

Q1 2016, end of period, EUR bn

<table>
<thead>
<tr>
<th></th>
<th>Energy Clients</th>
<th>Commodities Clients</th>
<th>Transportation Clients</th>
<th>ECT Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clients Groups (#)</td>
<td>~100</td>
<td>~325</td>
<td>~175</td>
<td>~600</td>
</tr>
<tr>
<td>On balance exposure</td>
<td>5.1</td>
<td>11.2</td>
<td>8.9</td>
<td>25.3</td>
</tr>
<tr>
<td>% of Total L&amp;R (of EUR 280bn)</td>
<td>2%</td>
<td>4%</td>
<td>3%</td>
<td>9%</td>
</tr>
<tr>
<td>Off B/S Issued LCs + Guarantees</td>
<td>0.6</td>
<td>5.2</td>
<td>0.2</td>
<td>6.0</td>
</tr>
<tr>
<td>Sub total</td>
<td>5.7</td>
<td>16.4</td>
<td>9.1</td>
<td>31.2</td>
</tr>
<tr>
<td>Off B/S Undrawn committed</td>
<td>2.1</td>
<td>2.6</td>
<td>1.2</td>
<td>5.9</td>
</tr>
<tr>
<td>Total</td>
<td>7.7</td>
<td>19.0</td>
<td>10.4</td>
<td>37.1</td>
</tr>
</tbody>
</table>

Sensitivity to prolonged low oil prices considered by management to be manageable¹

- 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 prices¹ 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 Clients² Management Estimated Sensitivity

- Commodities - Energy
  - Trade Finance ~30% Limited exposure to oil price risk
  - FPSO, Midstream, Corporate Lending ~6% Indirect exposure to oil price risk
  - Offshore Drilling & Other Offshore Companies ~4% Exposure to oil price risk

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

ECT Clients is in Oil & Gas related exposures (EUR 12-13bn)
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
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
With a gradual change in mortgage book composition and lower LtMVs

ABN AMRO mortgage book

- Outstanding volume of EUR 147bn at 31 Mar 2016
- #2 player in terms of new mortgage production with a market share of 17.4% in Q1 2016
- Regulation (2013) for mortgage acceptance and recovery of Dutch housing market result in lower loan-to-market values
- Average LtMV\(^1\) decreased from 84% in 2013 to 80% (76% excl. NHG) at 31 March 2016
- Redeeming mortgages picked up, while Interest Only and Other declined, trend will continue

Portfolio shift triggered

Book changed in composition of type

<table>
<thead>
<tr>
<th>31 Dec 2012 EUR 154bn</th>
<th>31 Mar 2016 EUR 147bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life investments 16%</td>
<td>Other 7%</td>
</tr>
<tr>
<td>Partial interest only 33%</td>
<td>Full interest only 25%</td>
</tr>
<tr>
<td>Savings 16%</td>
<td>Life investments 12%</td>
</tr>
<tr>
<td>Redeeming 3%</td>
<td>Other 6%</td>
</tr>
<tr>
<td></td>
<td>Partial interest only 32%</td>
</tr>
</tbody>
</table>

Absolute change in mortgage loan book, since 1 Jan 2013 (EUR bn)

- Redeeming mortgages (annuity/linear) 15.7
- Interest only mortgages -10.6
- Other mortgage types -12.5

Decreasing LtMVs >100%\(^1\)

<table>
<thead>
<tr>
<th>LtMV range</th>
<th>YE2013</th>
<th>31 Mar 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;50%</td>
<td>18.8%</td>
<td>16.0%</td>
</tr>
<tr>
<td>50-80%</td>
<td>24.0%</td>
<td>23.9%</td>
</tr>
<tr>
<td>80-90%</td>
<td>10.3%</td>
<td>12.9%</td>
</tr>
<tr>
<td>90-100%</td>
<td>12.5%</td>
<td>17.4%</td>
</tr>
<tr>
<td>100-110%</td>
<td>14.2%</td>
<td>12.6%</td>
</tr>
<tr>
<td>&gt;110%</td>
<td>21.7%</td>
<td>11.7%</td>
</tr>
</tbody>
</table>

Note(s):
1. LtMV calculation has been adjusted in Q1 2016, while 2013 has not been restated. The adjustment resulted in a minor change in outcome.
### ABN AMRO’s credit ratings

**Ratings of ABN AMRO Bank NV dated 10 May 2016**

**Capital ratings**
- S&P/Moody’s/Fitch
  - AT1: BB/-/BB+
  - T2: BBB-/Baa3/A-

### S&P

**Rating structure**
- **Anchor:** BICRA 3, bbb+
- **Business position:** Adequate, +0
- **Capital & earnings:** Adequate, +0
- **Risk position:** Adequate, +0
- **Funding Liquidity:** Average, Adequate, +0

**SACP**
- bbb+
- **ALAC**
  - +2

**Issuer Credit Rating**
- A/St

**3/12/2015:**
“Our assessment of ABN AMRO’s business position as “adequate” reflects the dominance of relatively stable activities in its business mix of domestic retail and commercial banking activities, and private banking, supported by sound market positions.”

### Moody’s

**Rating structure**
- **Macro Score:** Strong +
- **Solvency Score:** baa2
- **Liquidity Score:** baa2

**Financial Profile**
- **Adjustments:** +0

**Assigned adj. BCA**
- Baa2

**Issuer Credit Rating**
- A/St

**3/12/2015:**
“ABN AMRO’s baseline credit assessment (BCA) of baa2 reflects the bank’s overall good financial fundamentals including solid capitalization and a sound liquidity position”

**17/07/2015:**
“ABN AMRO’s ratings reflect its strong Dutch franchise, complemented by its international private banking and energy, commodities and transportation franchises, providing it with resilient revenue generation.”

### Fitch

**Rating structure**
- **Viability Rating:** A
- **Qualifying Junior Debt:** +1
- **Support Rating Floor:** No floor

**Issuer Default Rating**
- A+/St

**3/12/2015:**
“Our assessment of ABN AMRO’s business position as “adequate” reflects the dominance of relatively stable activities in its business mix of domestic retail and commercial banking activities, and private banking, supported by sound market positions.”

**14/04/2016:**
“ABN AMRO’s ratings reflect its strong Dutch franchise, complemented by its international private banking and energy, commodities and transportation franchises, providing it with resilient revenue generation.”

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