ABN·AMRO

Investor Relations

MS European Financials Conference 2020

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A solid and resilient bank

Strategic steps contributed to profile and profitability

- Clear purpose and strategy around 3 strategic pillars
- Early adoption of sustainability
- Continuous IT rejuvenation, digital agenda progressing well
- Focused Private Bank with scalable franchise NW Europe
- Action on CIB profitability – refocus initiated in 2018
- Strong cost discipline and focus on profitability
- ROE consistently 10% or higher since IPO
- Strong capital position, early anticipation of Basel IV

Taking action on current challenges

- First large Dutch bank to start charging negative rates
- Comprehensive plan concerning detecting financial crime underway
- Mitigation of regulatory and compliance cost increases by further IT cost savings beyond 2020
- De-risked cyclical sectors in CIB; reviewing additional measures needed
- High capital buffer to absorb significant TRIM, DNB mortgage add-on and other regulatory capital impacts

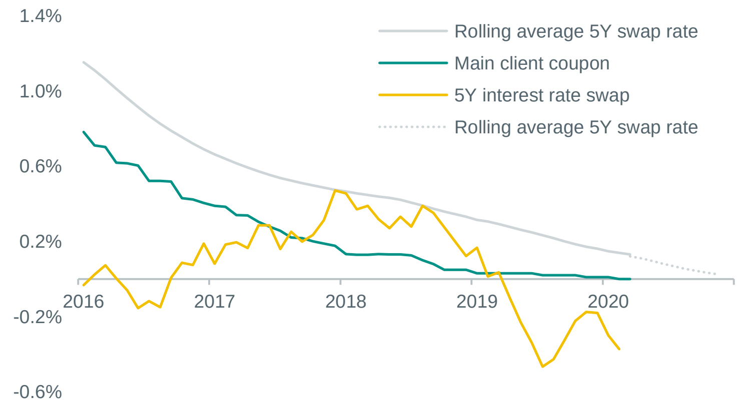
Update on COVID-19 preparedness

Close monitoring of impact COVID-19 on business

- Domestic economy strong going into COVID-19 outbreak
- Stringent measures taken by the Dutch government
- Government announced initial support actions:
  - Possible to increase debt-to-GDP ratio from 48.8% to 60% (90bn budget ~ 10% of GDP)
  - Postponement of several taxes, subsidised reduced working hours and guarantees up to 75% of existing loans for SMEs
- Early bank-wide measures taken to ensure continuity and operational resilience
- Monitoring unused credit lines, in close contact with clients in exposed sectors
- Impact on economic outlook and guidance uncertain, weakness in short-term very likely

Bank in strong position going into COVID-19 outbreak

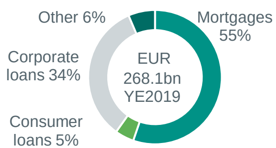
- Strong capital position (18.1% CET1) YE 2019
- Strong liquidity buffer (> 80bn) and solid liquidity ratios
- Early de-risking of highly cyclical sectors (offshore, diamonds)
- Regulatory flexibility (f.i. EBA and ECB) to dampen impact
- Able to pass on negative interest rates on approx. half of deposit base



Limited sector concentration loan book

- Majority of loan book is Dutch mortgages, average TTC CoR 5-7bps
- Diversified corporate loan book, split between CB and CIB, CB exposures are relatively limited in size
- Sector concentration is limited
- Sectors immediately exposed to COVID-19 are Transport & Logistics, Manufacturing, Oil & Gas, Travel & Leisure and Retail

Customer loans 1)



Largest sectors	% EAD 2)
Private Individuals	45%
Public Administration4)	17%
Industrial Goods & Services	6%
Financial Services	5%
Banks	5%
Food & Beverage	4%

Immediate exposed to COVID-19	% EAD 2)
Transport (Indust. Goods & Services) 3)	4%
Manufacturing (across sectors) 3)	3%
Retail	2%
Travel & Leisure	1%

1) Loans & Receivables YE 2019
2) Total EAD 389bn at YE2019
3) Manufacturing is across industry sectors, predominantly in Industrial Goods & Services, Automotive & Parts, Household goods. Transport is subsector of Industrial Goods and Services
4) Public administration includes assets with the Central Bank, ans other government exposures

Taking action on Detecting Financial Crime (DFC)

Progress on comprehensive DFC plan

- In 2019 DFC activities reviewed by independent expert, plan shared with regulator
- Plan to combat financial crime incorporates findings from external review and shared with regulator
- DFC activities centralised, clear governance
- Remediation programmes expected to complete by 2022
- Going forward expect further cooperation with authorities and other banks to combat financial crime
- No update on investigation of Dutch public prosecutor

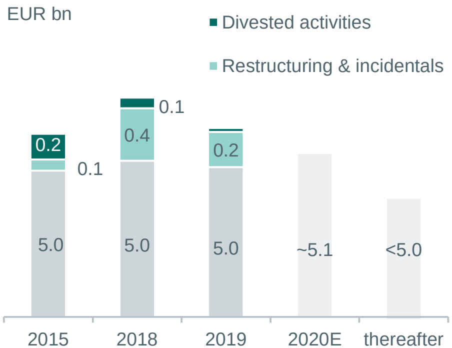
DFC plan elements

- **Execute Customer Due Diligence (CDD) processes according to group-wide policies and standards**:
  - KYC and CDD is now centralised for NL
  - Ramping up FTEs; FY2019 over 2,000 [1)]
  - CDD remediation programmes in CIB & PB finished [2)], ICS on track, RB ramping up, CB accelerating
- **Build future-proof DFC organisation**
  - Invested in best global tooling available (RDC and Fenergo)
  - Increased usage of new technologies such as Artificial Intelligence and Robotics
  - New DFC academy to attract and educate employees
- **Enhanced controls**
  - Global Risk & Quality Control Framework to guarantee future compliancy

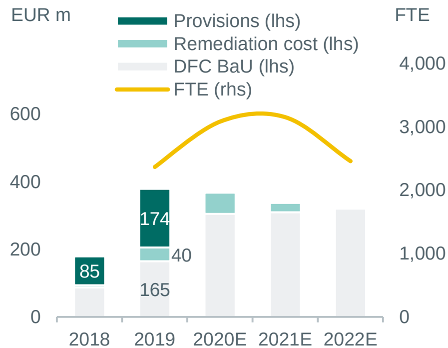
1. FTEs include external FTEs, excludes FTEs of vendors
2. Except for acquisition related projects, e.g. PB Belgium

Cost savings to mitigate DFC cost increase

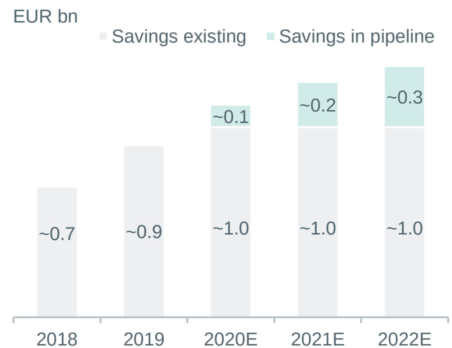
Costs well controlled



Elevated DFC costs in coming years



More savings to come



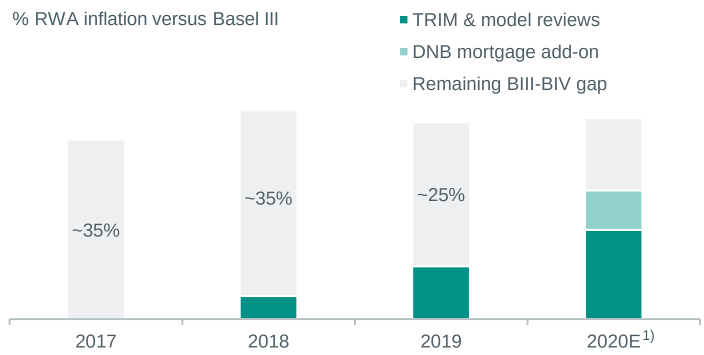
- Strong cost discipline, maintaining costs relatively flat since 2015 despite cost increases for regulatory costs, IT investments, wage inflation
- Total DFC costs around 400m in 2019 including up-front remediation provisions
- For 2020 costs at similar level as BaU costs step up. Currently limited automation assumed in medium-term BaU cost, potential source of efficiency gains over time
- IT costs to be brought down further mainly by teams adopting a DevOps work method and moving to off-premise cloud
- Cost run rate around 5.0bn over 2019 excluding incidentals. Expect cost base to be around 5.1bn in 2020 and below 5.0bn thereafter

Large capital buffer for previously anticipated regulatory developments

Already well positioned for Basel IV

- Robust Basel IV capital position over 14% before further mitigations
- NHG treatment clear: sovereign under Basel IV
- Basel IV RWA inflation down to around 25% due to RWA add-ons [2] anticipating TRIM, model reviews and Basel IV mitigations delivered
- European Commission expected to come with a proposal for EU implementation in the summer of 2020

Expect substantial TRIM impact in 2020



Basel III developments

- Pillar 2 increase (+0.25%) reflects improvements required in credit risk models and processes in addition to DFC activities
- Based on supervisory feedback, in 2020 expect further significant TRIM and model reviews impact, material DNB mortgage add-on and some RWA impact from expected implementation of new Definition of Default (DoD)
- Consequently expect Basel III capital ratio to move towards Basel IV ratio in 2020. Will revise capital target range accordingly

1) For 2020 bars are illustrative
2) For non-retail portfolios (larger corporates), banks & non-banks financial institutions and specialized lending an additional 5bn in Q4 2019 including model reviews, 10bn total from Q4 2018

additional slides

Highlights; solid FY 2019 ROE of 10%

Financials

- Net profit in Q4 2019 at 316 million reflecting high impairments
- NII decreased slightly (3%) to 1,586 million in Q4 2019 reflecting deposit margin pressure from low interest rates
- Continued delivery on cost-saving programmes mitigating higher Detecting Financial Crime (DFC) related costs
- Strong Basel III CET1 ratio at 18.1%, including RWA add-ons anticipating TRIM and model reviews. Basel IV CET1 over 14%
- Q4 impairments high, full year impairments at 24bps, below through-the-cycle cost of risk
- Pay-out of 62% maintained, total dividend of EUR 1.28 proposed

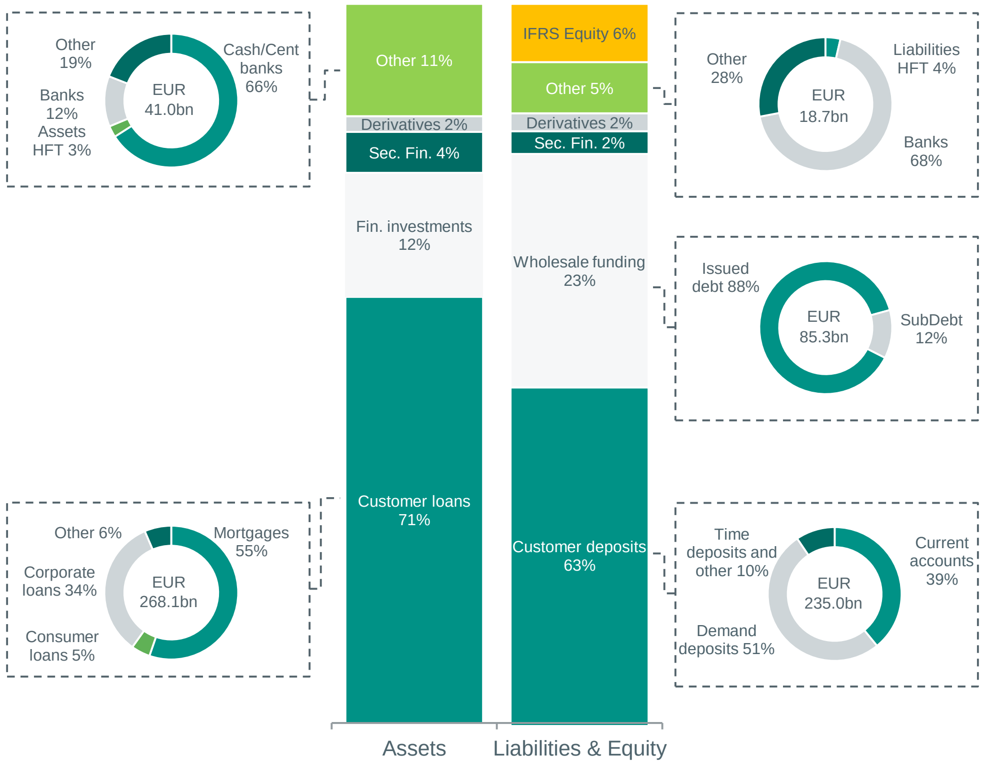
Strategic

- Diligent execution of the three pillars of our strategy, Banking for better for generations to come
- Delivered on ROE target despite low interest rate environment and high impairments in Q4 2019
- Comprehensive DFC plan in execution and making progress. Remediation on track to be completed in 2022
- High impairments in CIB to be addressed by continued de-risking highly cyclical sectors
- Will update on capital in second half of the year

Clean and strong balance sheet reflecting moderate risk profile

Total assets of EUR 375bn at 31 December 2019

- Strong focus on collateralised lending
- Loan portfolio matches deposits, long-term debt and equity
- Limited reliance on short-term debt
- Limited market risk and trading portfolios
- Off-balance sheet commitments & contingent liabilities EUR 72bn



Liquidity risk indicators actively managed

Solid ratios and strong buffer

- Funding primarily through client deposits, LtD at 114% 31 December 2019
- Largest part of Dutch consumer savings is with pension and life insurance industry
- LCR and NSFR ratios comply with future requirements: each >100%
- Survival period consistently >12 months

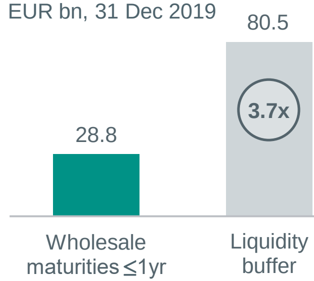
Liquidity risk indicators

	31 Dec 2019	31 Dec 2018
LtD [1]	114%	111%
LCR	>100%	>100%
NSFR	>100%	>100%
Survival period (moderate stress) [2]	>12 months	>12 months
Available liquidity buffer	80.5bn	84.5bn

Drivers liquidity buffer

- Safety cushion in case of severe liquidity stress
- Regularly reviewed for size and stress
- Size represents both external and internal requirements
- Unencumbered and valued at liquidity value
- Focus is on optimising composition and negative carry

Composition liquidity buffer



Buffer composition	EUR bn	%	LCR
Government Bonds	35.1	44%	✓
Cash/Central Bank Deposits	25.1	31%	✓
Covered Bonds	3.2	4%	✓
Retained issuances	9.6	12%	✗
Other	7.5	9%	✓

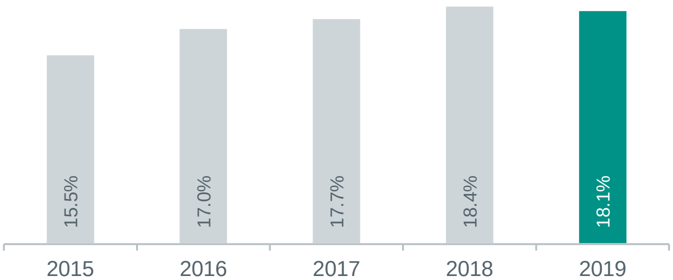
88% of the liquidity buffer is LCR eligible

1) As of 2019 a definition change is used to calculate the LtD (loan to deposit) ratio. The LtD is calculated by dividing loans to customers by amounts due to customers as reported on the balance sheet. Based on the new definition the LtD would have been 115% by YE2018
2) Survival period reflects the period the liquidity position is expected to remain positive in an internally developed (moderate) stress scenario. This scenario assumes wholesale funding markets deteriorate and retail, private and corporate clients withdraw part of their deposits

Maintaining 62% dividend pay-out ratio for 2019

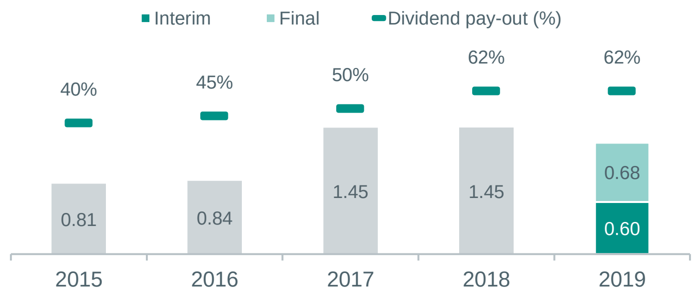
Basel III CET1 ratio strong

CET1 in %, Basel III



Total dividend

EUR per share, % pay-out



- Capital position remains strong, CET1 ratio of 18.1%, despite higher RWAs due add-ons anticipating TRIM and model reviews
- Pay-out maintained at 62% given uncertainties regarding investigation by the Dutch public prosecutor and substantial TRIM and model reviews impacts in 2020
- So total dividend proposal of 1.28 per share, o/w 0.68 as final dividend

Financial targets

	2018	2019	Targets
Return on Equity	11.4%	10.0%	10-13%
Cost/Income ratio	58.8%	61.2%	56-58%
CET1 ratio	18.4%	18.1%	17.5% - 18.5%
Dividend - per share (EUR) - pay-out ratio	1.45 62%	1.28 62%	▪ 50% of sustainable profit 1) plus additional distributions

1) Sustainable profit attributable to shareholders excludes exceptional items that significantly distort profitability; examples from the past e.g. book gain on PB Asia divestment (2017) and provision for SME derivatives (2016). Additional distributions will be considered when capital is within or above the target range, and are subject to other circumstances, including regulatory considerations

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