



ABN AMRO

Goldman Sachs Annual European Financials Conference

Paris, 8 June 2016
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Strong and balanced financial profile with focus on the Netherlands

Key financials and metrics

	Q1 2016	2015	2014
Operating Income (EUR m)	1,971	8,455	8,055
Cost/Income	66.9%	61.8%	60.2%
Cost of Risk (bps)	0	19	45
NIM (bps)	151	146	153
Net Profit (EUR m)	475	1,924	1,551
ROE	11.1%	12.0%	10.9%
Pay-out Ratio	-	40%	35%
Total Assets (EUR bn)	415	390	387
Shareholders Equity¹ (EUR bn)	17.0	16.6	14.9
CET1 (fully loaded)	15.8%	15.5%	14.1%
FTE	21,999	22,048	22,215

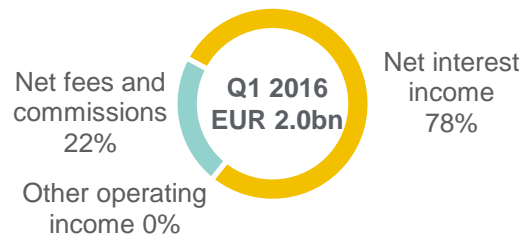
- ▶ ROE progression reflecting management actions and improvement in economy, realised whilst building up capital
- ▶ Strong CET1 ratio includes a buffer for regulatory uncertainties

Note(s):

1. Equity attributable to the owners of the parent company

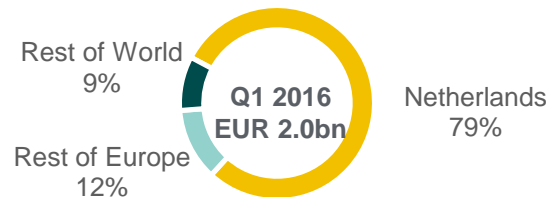
Large proportion of recurring operating income

Operating income by line item



Operating income predominantly domestic

Operating income by region



ABN AMRO holds an attractive combination of businesses

Retail Banking

±5_m Number of retail clients
300k SME clients

1st in new mortgage production,
2nd in savings
Principle bank for **21%** of Dutch

±260 branches

Private Banking

>100,000 number of clients
Present in **11** countries

Market leader in the Netherlands,
3rd in Germany,
4th in France

Seamless multi-channel client servicing
In the Netherlands and expanding in other markets

Corporate Banking

70,000 Corporate clients

Client- and capability-led international strategy

International presence
In the key financial and logistical hubs

Five strategic pillars formulated to serve our stakeholders

Stakeholders



Strategic priorities

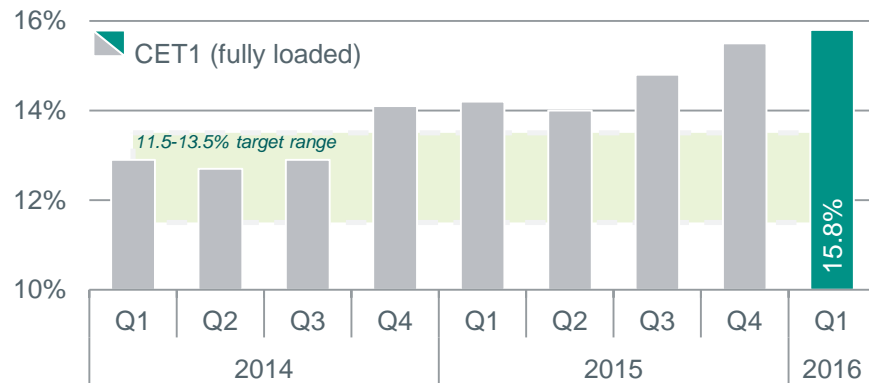


Strategic Targets

Return on Equity	10% - 13% <i>in the coming years</i>
Cost/income ratio	56% - 60% <i>by 2017</i>
CET1 ratio (fully loaded)	11.5% - 13.5%
Dividend payout ratio	50% <i>as from / over 2017</i>

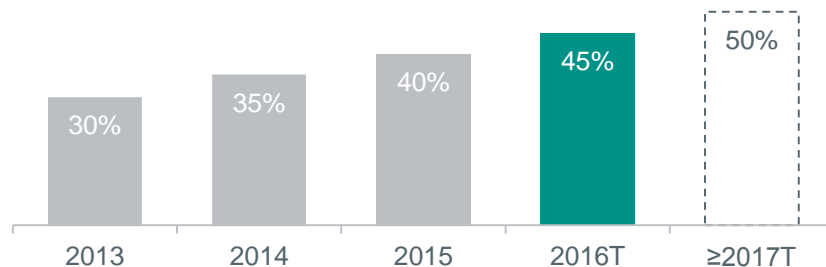
CET1 fully loaded capital target and dividend pay-out target

Steady improvement in CET1



Steadily increasing dividend

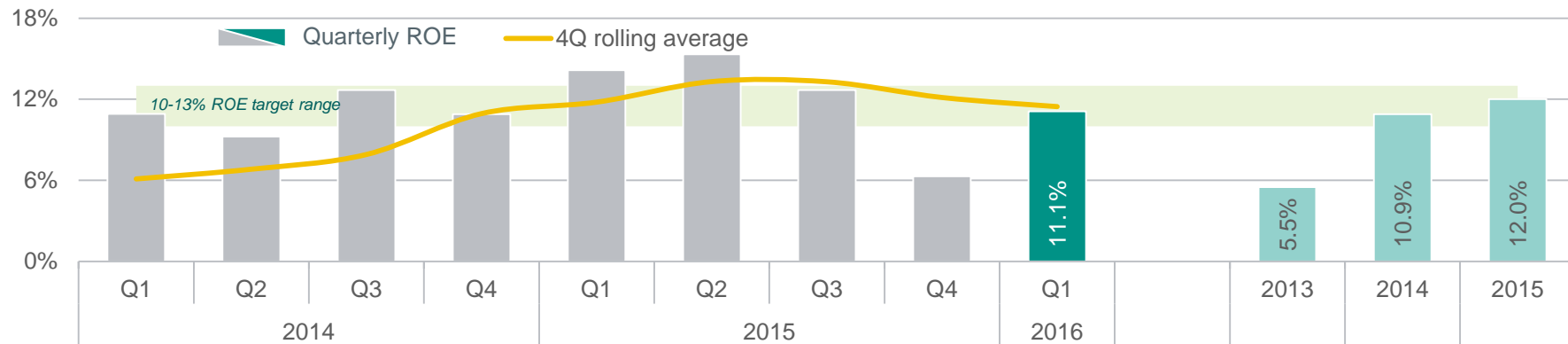
Dividend pay-out ratio



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

ROE target

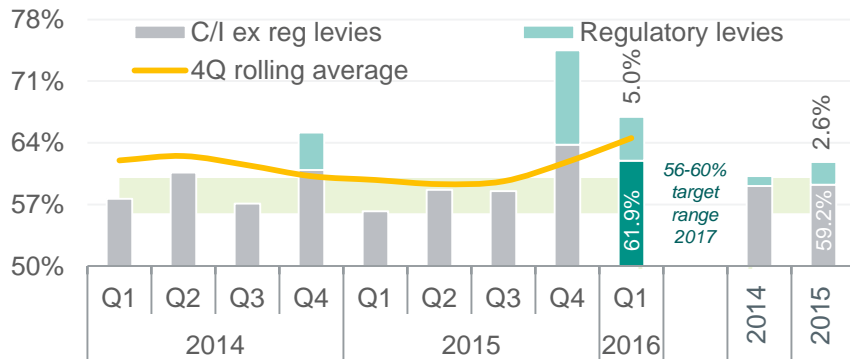
ROE development



- ▶ ABN AMRO is generating an attractive ROE
- ▶ The last two quarters were impacted by regulatory levies (as was Q4 2014)
- ▶ Q1 ROE with levies spread pro-rata over the year would have amounted to 11.5%

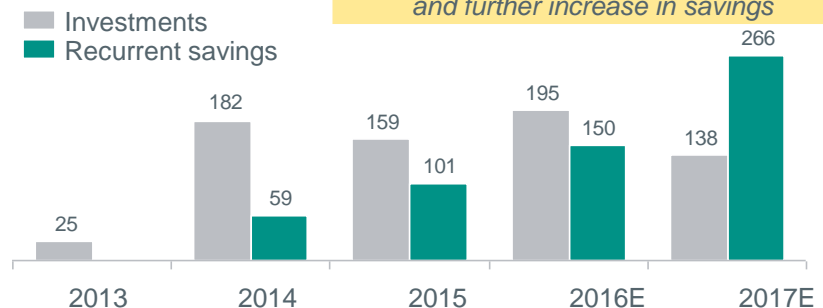
Cost/income and identified levers for further efficiency improvements

Cost/income ratio above target range 2017



TOPS2020 and Retail Digitalisation¹

EUR m



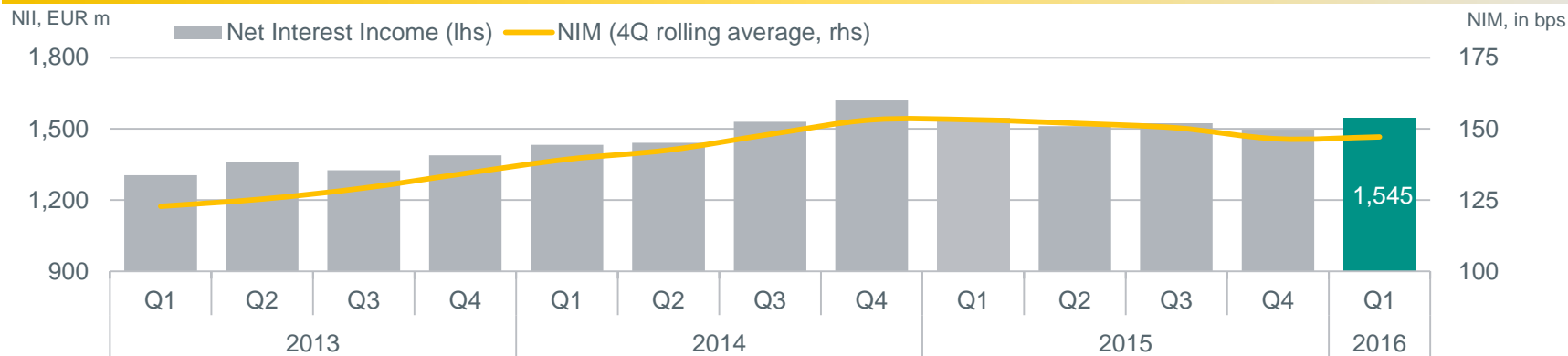
- ▶ Q1 2016 C/I ratio was 66.9%, including 5 percentage points due to regulatory levies
- ▶ Two programmes in implementation, TOPS2020 and Retail Digitalisation:
 - on track to deliver further efficiencies and important additional process and client benefits, e.g. more agile IT and improved customer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

Note(s):

1. Investments and cost savings shown pre-tax

Interest income

Interest income remains resilient

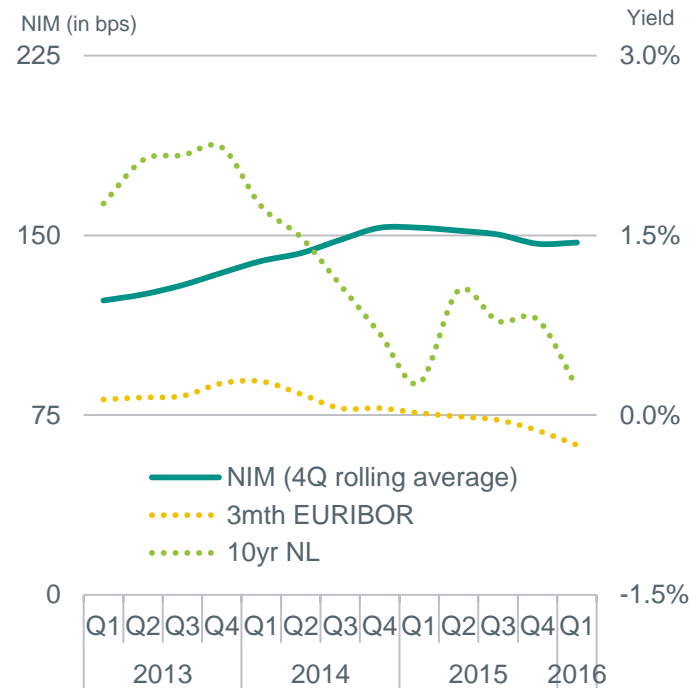


- ▶ After a gradual increase, NII remained more or less stable around EUR 1.5bn over the past seven quarters
- ▶ Limited amount of low margin (pre-crisis) mortgages still to re-price in 2016
- ▶ Main savings rate lowered to 50bp as of April 2016

Hedging the balance sheet against interest rate movements helps stabilise NII

Increasing margins main factor driving NII in recent years

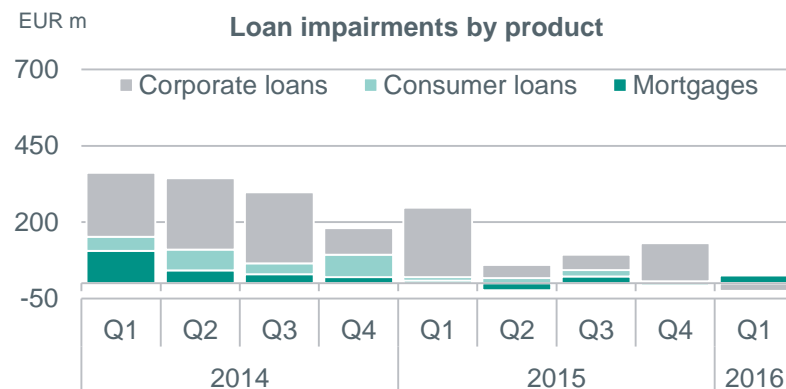
- ▶ Conceptually, interest rate risk is managed by swapping both assets and liabilities to floating rate. In practice what we do is:
 - Wholesale funding as well as bonds in the liquidity buffer are swapped to a floating rate on an individual basis
 - Mortgages, consumer loans, commercial loans and deposits are managed on a portfolio basis, where only the net interest exposure is hedged with swap contracts
- ▶ As a result, interest income is predominantly driven by the commercial margin and volume developments
- ▶ As of 31 March 2016, a 200bps decline/rise in interest rates over 12 month period leads to 2.4% decrease/3.4% increase of NII



Note(s):
Source: SNL, 3mth EURIBOR and 10yr NL Benchmark yields based on end of period

Loan impairments

Loan impairments continue to trend downwards

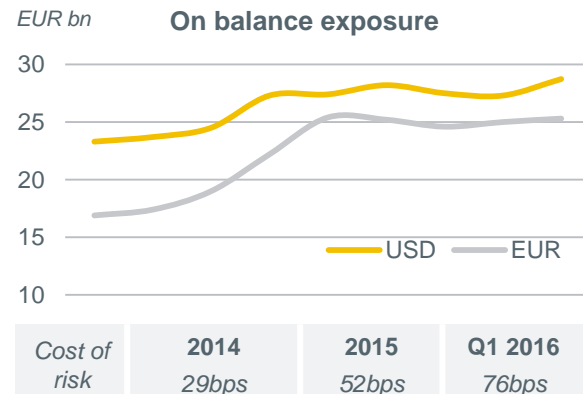


- ▶ Downward trend of cost of risk started in 2014 and continued in line with the improvements in the Dutch economy and housing market
- ▶ Cost of Risk declined to 0bps in Q1 2016
- ▶ Impairments also benefitted from IBNI releases of EUR 81m in Q1 compared to an IBNI release of EUR 31m in Q1 2015

Exposures across selected clients active in ECT sectors

Q1 2016, EUR bn

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



ECT Client segment	Activity / Business Line		% ECT Clients	Exposure
Commodities - Energy	Trade Finance	EUR 12-13bn Oil & Gas related exposures (~40% of EUR31bn)	~30%	Limited exposure to oil price risk
Energy Clients	FPSO, Midstream, Corporate Lending			
	Offshore Drilling & Other Offshore Companies			Indirect exposure to oil price risk
	Upstream (Reserve Base Lending)		~4%	Exposure to oil price risk
Transportation Clients	Dry bulk, Container, Offshore services, Car/Roro, Intermodal, Tankers, Shuttle Tankers, LNG, LPG	EUR 9.1bn Transport exposures	~30%	Difficult environment for dry bulk, container and offshore support

Energy and transportation downturn scenario effects stay within risk limits

Transportation / shipping downturn scenario's¹

- ▶ Close risk monitoring is applied to specific shipping sectors: e.g. dry bulk, container shipping and offshore support
- ▶ Scenario's do not assume any management action. Timely restructurings can significantly reduce the need for impairment

Moderate scenario (downturn period of 18 months)

- ▶ Up to a 3 notch downgrade on sub portfolios and specific files forced into default
- ▶ *EUR ~75m impairments over 18 months*

Severe scenario (downturn period of 24 months)

- ▶ Up to a 4 notch downgrade on sub portfolios and specific files forced into default
- ▶ *EUR ~225m impairments over 24 months*

Energy downturn scenario / low oil price²

- ▶ Close risk monitoring is applied as market circumstances are challenging for some clients active in Oil & Gas sector

Moderate low oil price scenario

- ▶ \$30 oil price for 18 months
- ▶ *Additional impairments EUR 75m over 18 month period*

Severe low oil price scenario

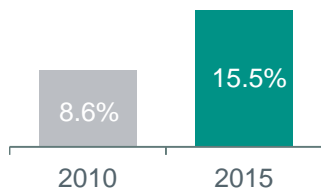
- ▶ \$20 oil price for the first 6 months, followed by 12 months with an oil price of \$30
- ▶ *Additional impairments EUR 125m over 18 month period*

Outcomes are considered manageable by management given portfolio size and past experience. In addition, risk management actions can be taken to lower impact

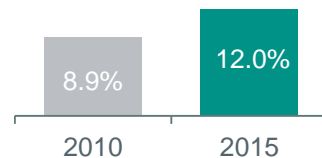
Achievements between 2010-2015

Successfully established the "new" ABN AMRO

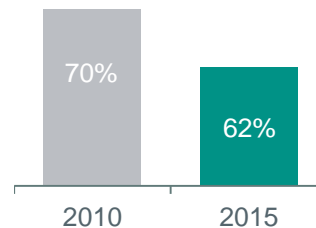
CET1 (fully loaded)



ROE



Cost/Income

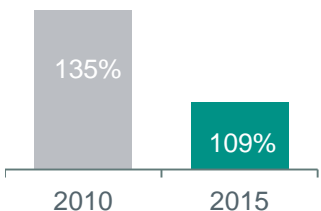


Retail branches

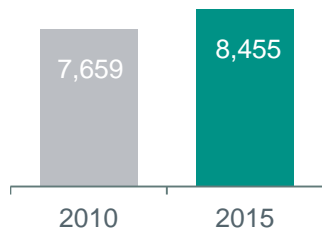


Reduction
2009-2015
c. 380
branches

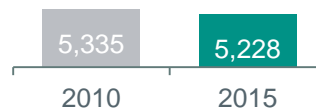
Loan to deposits



Operating income (EUR m)



Operating expenses (EUR m)

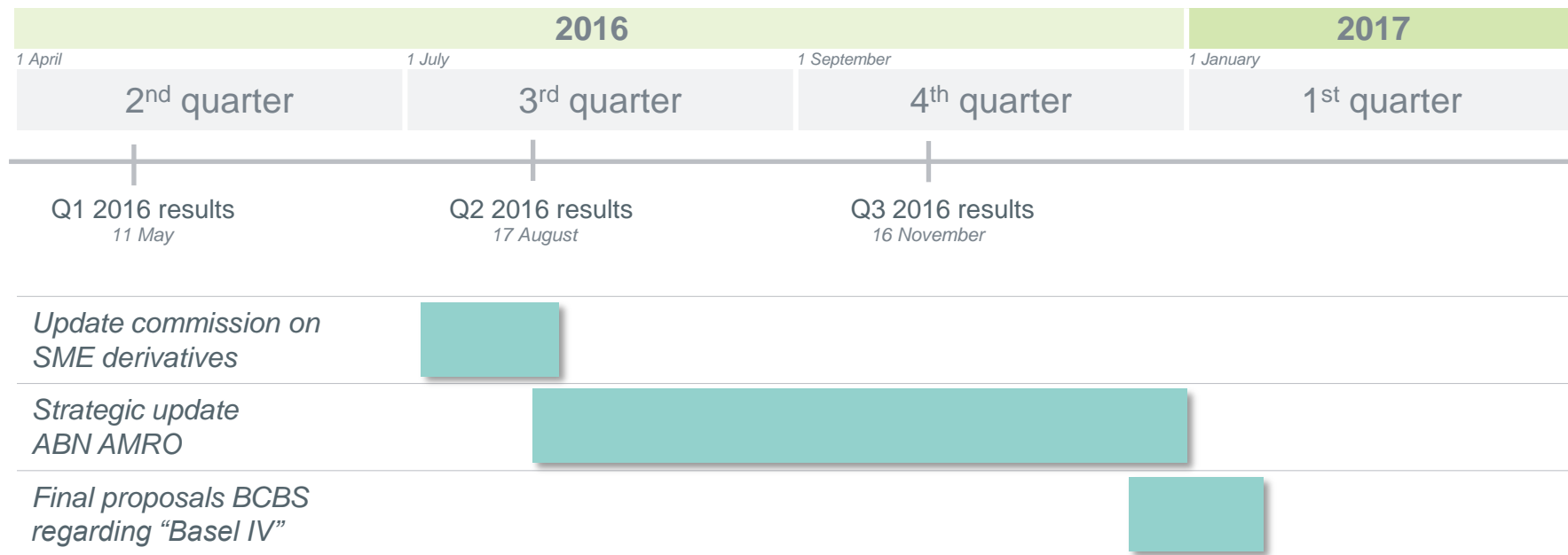


FTEs



Reduction
2009-2015
c. 7,500
FTEs

A number of key events expected to occur in the next quarters



Leading Dutch bank with a transparent and client driven business model



- 1 Domestic franchise leadership in Retail, Private and Corporate Banking
- 2 Moderate risk profile based on strong capitalisation and a clean balance sheet
- 3 Favourable exposure to the Dutch economy, characterised by strong fundamentals and a cyclical upturn
- 4 Geographical diversification and growth opportunities through capability-led international activities
- 5 Delivering attractive returns for shareholders, with identified levers for further efficiency improvements
- 6 Pay-out capacity underpinned by strong capital generation and discipline
- 7 Highly experienced management team with proven track record

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