



Investor Relations

Barclays Global Financial Services Conference

Kees van Dijkhuizen | CEO ABN AMRO

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strategy

Attractive combination of strong and complementary businesses

Retail Banking

±5m	±300k
retail clients	small enterprises
Low capital intensity	Funding gap

- Top 3 player in NL
- Prime bank for c.20% of Dutch population
- Nr. 1 in new mortgage production
- Nr. 2 in Dutch savings¹⁾
- Leading digital offering, 24/7 Advice and Service Centres and 209 branches

Private Banking

±100k	6
clients	Present in countries
Low capital intensity	Funding surplus

- Market leader in the Netherlands
- 3rd in Germany, 4th in France
- Multi-channel client servicing
- Focus on digitalisation

Commercial Banking

±65k	5
clients	Present in countries
Higher capital intensity	Funding balanced

- Sector-based offering to clients with a turnover EUR 1m-250m
- Leading player in the Netherlands
- Leading player in leasing and factoring in NW-Europe

Corp. & Inst. Banking

±3k	16
clients	Present in countries
Higher capital intensity	Funding gap

- Sector-based offering to large corporates including ECT, FIs and Clearing
- Leading player in the Netherlands
- Capability-led growth for selected businesses and sectors in NW-Europe and globally
- International presence in key financial and logistical hubs

1) Including Private Banking in the Netherlands

Strategic business initiatives towards 2020

Retail Banking



Ambition

Client-driven Dutch retail bank with a digital footprint in Northwest-Europe

Growth initiatives

- Expand digital MoneyYou platform
- Further explore cooperation with FinTechs

Private Banking



Ambition

Client driven, modern and knowledgeable NW-European private bank

Growth initiatives

- Grow in NW-Europe
- Focus on HNWI open to innovation
- Harmonise platforms
- Lower the private banking threshold in the Netherlands

Commercial Banking



Ambition

Best commercial bank in the Netherlands

Growth initiatives

- Sector-based growth strategy in the Netherlands

Corp. & Inst. Banking



Ambition

Best corporate & institutional bank in NL and selected sectors abroad

Growth initiatives

- Sector-based growth strategy in the Netherlands
- Expand activities to mid-large corporates in NW-Europe
- Globally expand adjacent ECT sectors: food production, renewables, utilities, basic materials



Innovation should result in new and enhanced services

Future proof IT landscape and way of working

- Reengineer IT landscape
- Provide new services based on new technologies
- Agile way of working
- Robust infrastructure
- Continuous and strong focus on security

Digitalisation

- Empower clients to take charge of their financial lives
- Convenient, fast and personal products & services
- Moving to mobile & online and integrate all channels
- Process improvement and simplification

Innovation themes

- Open banking
 - create new business models
 - increase client touch points
 - smarter use of data
- Advanced customer analytics and artificial intelligence
- Blockchain
- Circular economy

Enabling innovation

- Leveraging internal and external knowledge
- In-house initiatives
- Joint effort with partners including Fintechs and vendors
- Innovators: small, agile organisations that operate online for self-directed clients

Significant focus on sustainability effort

Ambition to bring real estate portfolios to energy efficiency label 'A' by 2030

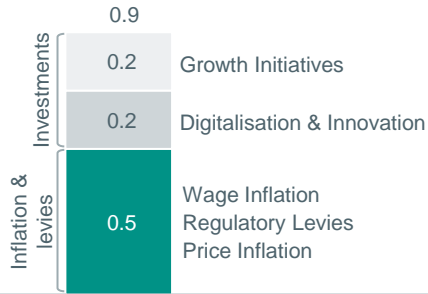


- **Commitment** to transition to sustainable real estate in the Netherlands
 - Climate a key focus area
 - Built-up area produces 40% of total Dutch carbon emissions
 - EUR 185 billion or two thirds of our client portfolio in Dutch real estate
- **Improve** clients' and our own real estate portfolios to an average energy efficiency **label 'A' by 2030**
 - Carbon emission reduction of 2 megatons
- **Motivate** and **support** our clients to take action
 - Making clients aware of opportunities
 - Encourage clients to take action with online tools, knowledge, advice and convenient financing products
 - Share our expertise and knowledge within and outside the bank
- ABN AMRO real estate already 'green' and all (owned and leased) buildings are expected to have an **'A' label by 2023**

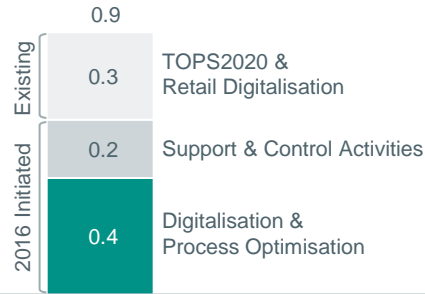
Cost, additional investments and savings initiatives 2015-2020

Increase in costs compensated by additional savings

EUR bn



Change to 2020
cost base (vs. 2015)



Target savings by
2020 (vs. 2015)

FTEs

- Internal and external FTEs to decline by 13% by 2020 (vs. YE2015); YTD down by 6%
- EUR 385m of provisions recorded relating to internal staff reduction

Upward cost pressure expected to be EUR 0.9bn in 2020 vs. 2015 cost base

- inflation of current cost base and regulatory levies
- additional cost for digitalisation of processes
- additional costs for growth initiatives

EUR 0.9bn savings targeted by 2020 vs. 2015 cost base

- EUR 0.4bn from digitalisation and process optimisation
- EUR 0.2bn from support & control activities
- EUR 0.3bn from TOPS2020 & Retail Digitalisation (already in execution)

Targets

Financial targets

Return on Equity	10-13%
Cost/Income ratio	56-58% (by 2020)
CET1 ratio (FL)	11.5-13.5%
Dividend pay-out ratio ¹⁾	50% (as from and over 2017)

1) Management discretion and subject to regulatory requirements. Envisaged dividend-pay-out is based on reported net profit attributable to shareholders

New management structure to support the strategy

New governance and leadership structure ¹⁾

- Statutory Executive Board represented by CEO, CFO, CRO and CITO
- Executive Committee consists of
 - Executive Board
 - 4 business lines to reflect more importance to clients and businesses
 - Transformation & HR with a bank-wide approach to focus on 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 new management structure

Executive Board ABN AMRO Group & ABN AMRO Bank

Chief Executive Officer	Chief Financial Officer	Chief Risk Officer	Chief Innovation & Technology Officer
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ABN AMRO Bank

CEO Retail Banking	CEO Private Banking	Chief Transformation & HR
CEO Commercial Banking	CEO Corporate & Inst. Banking	

Executive Committee ABN AMRO Bank consists of the Executive Board, the client business lines and Transformation & HR

1) Implementation becomes formally operational once regulatory approvals for appointments - to the extent required – have been received

The background image features a close-up of a silver compass with a white face and black markings, resting on a document. The document contains a table with financial data, including columns for 'Daily Change', 'Closing Bid', and 'Daily Change'. The text 'privatisation on track' is overlaid in white on a dark green rectangular background.

privatisation on track

Progress on privatisation, NLFI currently holding 63%

- Free float Currently at c.37%
- IPO, 23% EUR 17.75 p.s., Nov 2015
- 2nd placing, 7% EUR 20.40 p.s., Nov 2016
- 3rd placing, 7% EUR 22.75 p.s., Jun 2017



Sources: Bloomberg, SNL, ABN AMRO

The background of the slide is a composite image. On the left, there is a close-up of a silver compass with a white face and black markings, showing cardinal directions (N, S, E, W) and degrees. To the right of the compass is a blurred image of a financial table with columns and rows of numbers. A solid teal banner is overlaid across the middle of the image, containing the text 'Q2 financials & capital' in white.

Q2 financials & capital

Good Q2 2017 result

EUR m	Q2 2017	Q2 2016	Delta	H1 2017	H1 2016	Delta
Net interest income	1,599	1,582	1%	3,195	3,128	2%
Net fee and commission income	418	431	-3%	852	866	-2%
Other operating income ¹⁾	475	188		691	178	
Operating income	2,492	2,201	13%	4,738	4,172	14%
Operating expenses ²⁾	1,367	1,260	9%	2,720	2,579	5%
Operating result	1,124	941	19%	2,018	1,593	27%
Impairment charges	-96	54		-33	56	
Income tax expenses	260	225	15%	475	400	19%
Underlying profit	960	662	45%	1,576	1,136	39%
Special items		-271			-271	
Reported profit	960	391	146%	1,576	866	82%
Underlying profit						
– Retail Banking	399	399	0%	725	674	7%
– Private Banking	234	53		288	96	
– Commercial Banking	235	209	12%	367	382	-4%
– Corporate & Inst. Banking	78	54	45%	166	54	
– Group Functions	15	-52		30	-70	
Net interest margin (bps)	153	152		155	152	
Underlying cost of risk (bps)	-14	9		-3	4	
Underlying earnings per share (EUR)	1.00	0.69		1.64	1.19	
Reported earnings per share (EUR)	1.00	0.40		1.64	0.90	
Dividend per share	n/a	n/a		0.65	0.40	

1) Q2 2017 includes EUR 255m (net of tax) from sale PB Asia and EUR-15m for SME Derivatives

2) Q2 2017 includes EUR 56m (net of tax) costs PB Asia, EUR 54m provision SME Derivatives, EUR 25m restructuring provision, EUR 27m levies.

H1 2017 includes EUR 37m severance/restructuring provisions, EUR 155m levies. FY2017 levies expected to be EUR 295m. H1 2016 includes EUR 110m levies

Good second quarter 2017 results

Highlights Q2 2017 (vs. Q2 2016)

Financial results

- Underlying net profit at EUR 960m (+45%)
 - Includes book gain of EUR 200m from sale PB Asia (net of tax) and impairment releases
 - EUR 1.00 EPS
- Operating income improved by 13%, mostly driven by book gain on sale of PB Asia
- NII proved again resilient and increased by 1%, driven by loan growth
- Cost increase result of SME Derivatives and sale PB Asia. Excluding these, costs are trending down
- High impairment releases (cost of risk -14bps), caused by continued improvement of the Dutch economy and model refinements

Progress on financial targets: H1 2017

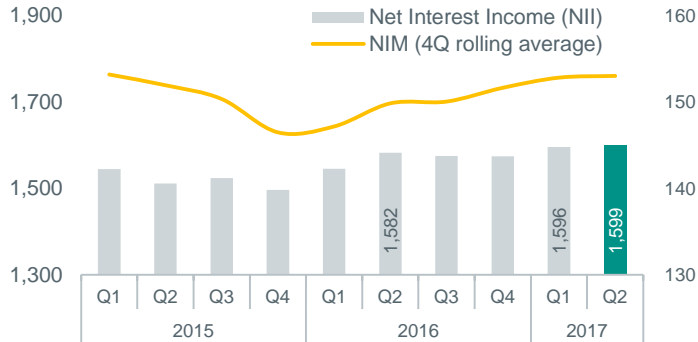
- | | |
|-----------------------------------|-------|
| ▪ Return on equity | 16.7% |
| ▪ Cost/income | 57.4% |
| ▪ Fully loaded CET1 | 17.6% |
| ▪ Dividend pay-out ratio (FY2017) | 50% |

Dividend

- EUR 0.65 interim dividend per share

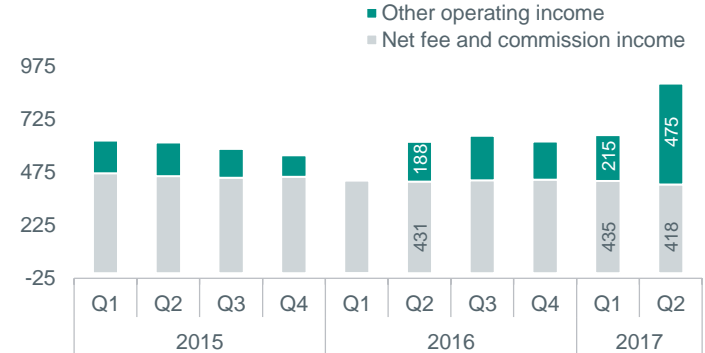
Strong earnings development

Interest income remains robust



- NII remained robust, despite low interest rates
- NII growth yoy was predominantly driven by loan growth
- Rates were lowered further on main retail deposits

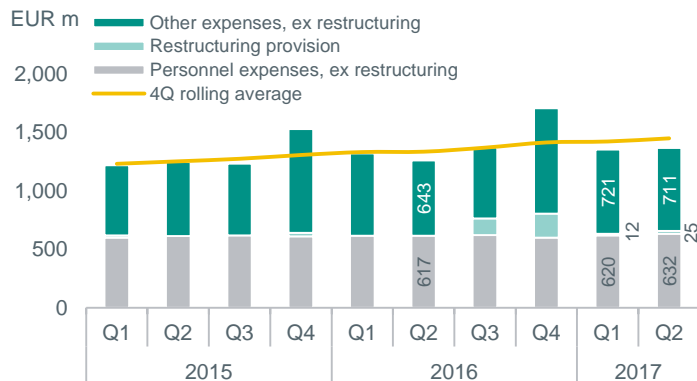
Fee & other income



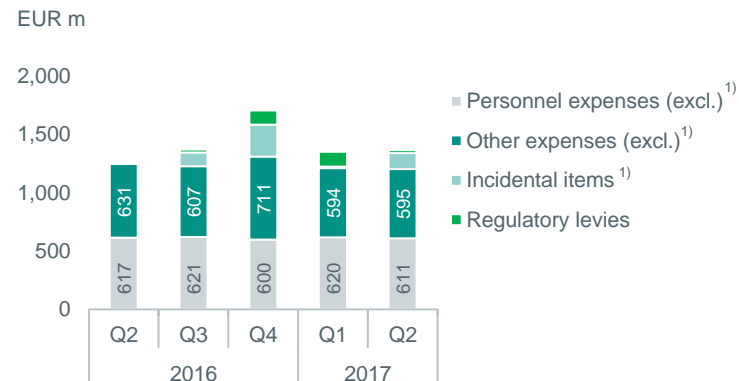
- Fee income remained flat vs. Q2 2016 excluding the effect of divested PB Asia activities
- Other operating income was up, mainly driven by:
 - sale of PB Asia (EUR 255m)
 - positive contribution from volatile items like hedge accounting, Private Equity and CVA/DVA/FVA

Underlying costs starting to benefit from cost savings

Development operating expenses



Drivers operating expenses

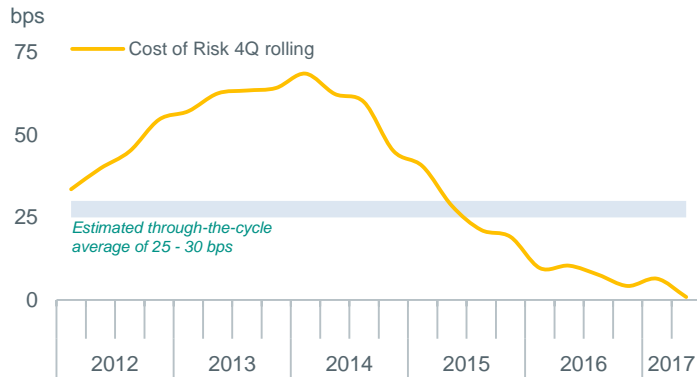


- Increase in expenses vs Q2 2016 fully explained by incidentals
 - Personnel expenses
 - Other expenses
- Underlying cost trend down, showing benefits from previously announced cost savings

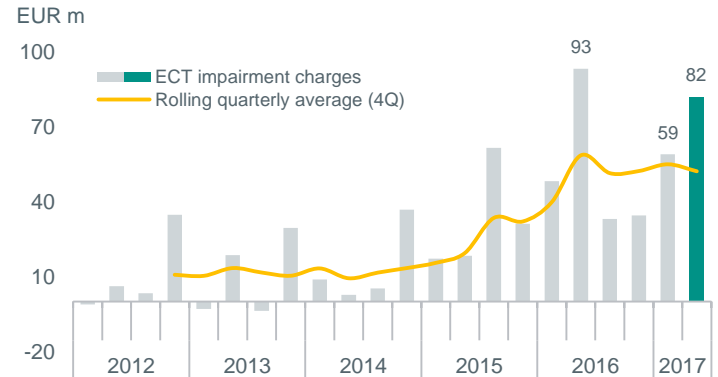
1) Personnel and other expenses exclude, where applicable, costs related to regulatory levies and incidental items. Incidental items consists of restructuring provisions, SME Derivatives & ICS provisions, Divestment PB Asia and a settlement on a PB Insurance claim

Continued low loan impairments

Cost of risk trend still benefiting from Dutch economy



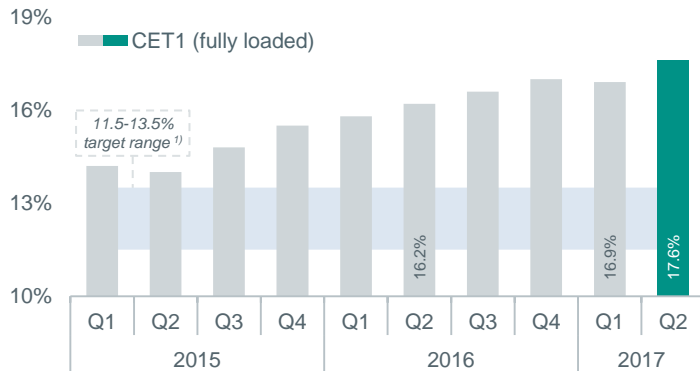
Elevated ECT Impairments



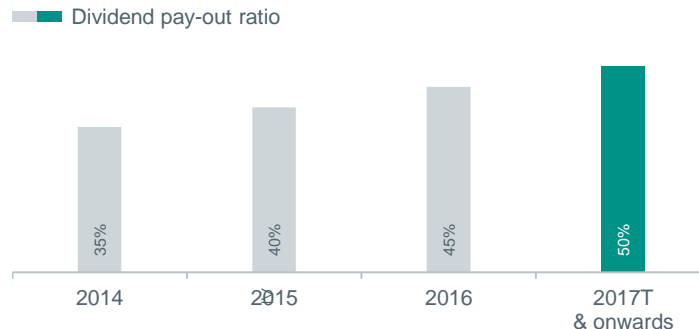
- Cost of risk below through-the-cycle average of 25-30bps since mid 2015
- Impairment releases in Q2 were mainly a result from model refinements (SMEs / mortgages) and continued growth in the Dutch economy
- ECT impairments remained elevated at EUR 82m

CET1 fully loaded capital and dividend

CET1 remained strong



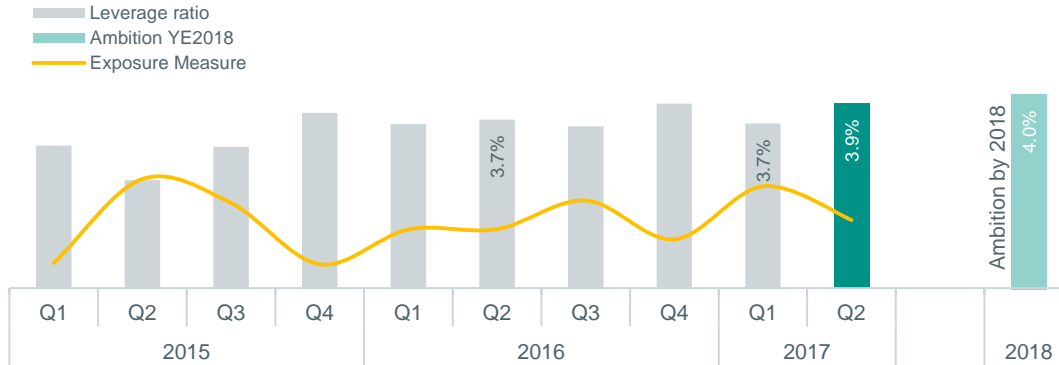
Increasing dividend pay-out ratio



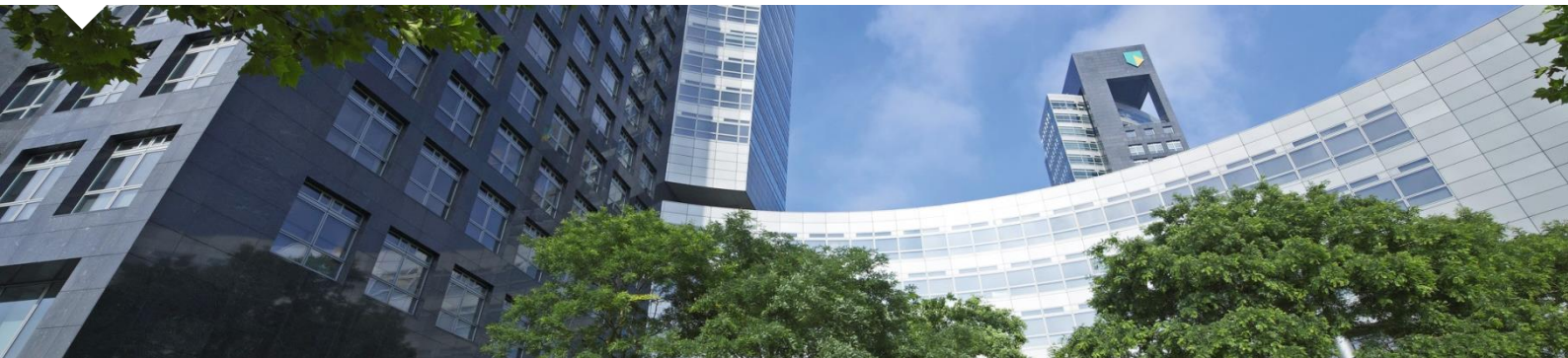
- CET1 ratio of 17.6% is strong, also ahead of Basel IV and IFRS9
- First time adoption IFRS9 currently estimated to lower CET1 ratio by less than 45bps (which is the EBA avg. estimate)
- Capital position and targets to be re-assessed once there is clarity on Basel IV ¹⁾
- If no agreement reached on Basel IV by year end, we intend to present an updated view on our capital position in the course of Q1 2018

1) Currently 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

Leverage ratio develops towards our 4% ambition for 2018



- Fully loaded leverage ratio improved to 3.9%, mainly driven by a decline in Exposure Measure
- Regulatory developments: pending change for treatment of Exposure Measure for Clearing results in estimated 40-50bps leverage ratio enhancement (timing remains unclear)
- Based on current capital position, ambition requires c. EUR 0.4bn of additional profit retention and/or AT1 capital



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Address

Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

Website

ABN AMRO Group

www.abnamro.com/ir

Questions

investorrelations@nl.abnamro.com