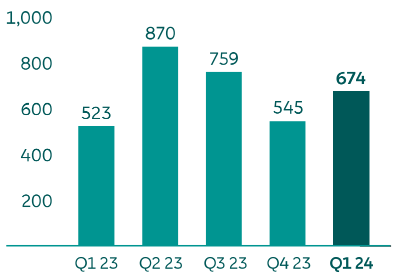
ABN AMRO Bank N.V.

Quarterly Report First quarter 2024

Figures at a glance

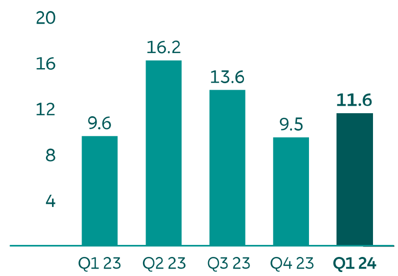
Net profit/(loss)

(in EUR millions)



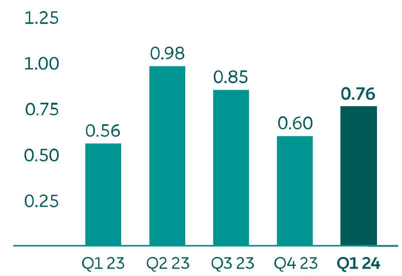
Return on equity

(in %) Target is 9-10%



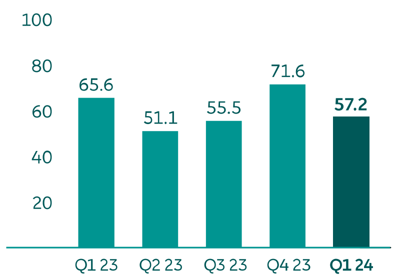
Earnings per share

(in EUR)



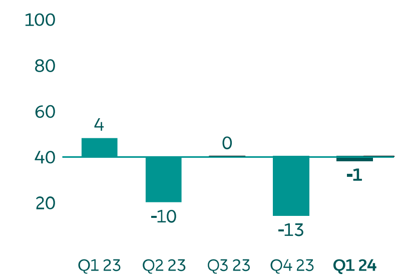
Cost/income ratio

(in %) Target is circa 60%



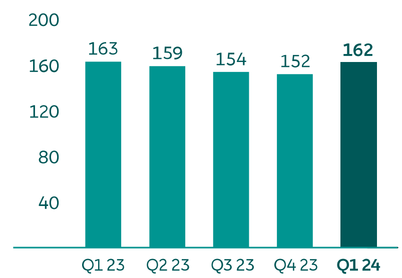
Cost of risk

(through-the-cycle in bps)



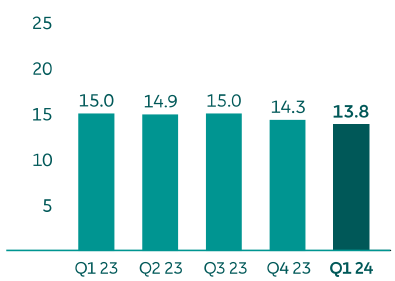
Net interest margin

(in bps)



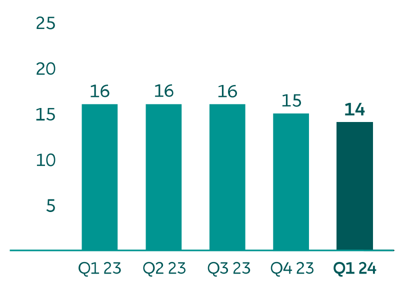
CET1 ratio (Basel III)

(end-of-period, in %)



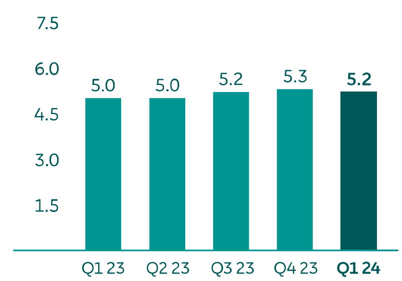
CET1 ratio (Basel IV)

(end-of-period, in %) Target is 13.5%



Leverage ratio (CRR2)

(end-of-period, in %)



All targets refer to our strategic targets for 2026.
For more information about net profit, return on equity, earnings per share, cost/income ratio, cost of risk and net interest margin, please refer to the Financial review section.
For more information about CET1 ratio (Basel III and Basel IV) and leverage ratio, please refer to the Capital management section.

Message from the CEO

Key messages of the quarter

- Very strong result with a net profit of EUR 674 million, driven by net interest income, fee income and low cost of risk.
- Business momentum remained good; our mortgage loan book grew by EUR 0.8 billion and our corporate loan book by EUR 0.3 billion. We were market leader in mortgages in Q1.
- Continued strong net interest income; as we continued to benefit from the current interest rate environment.
- Fee income higher, driven by good performance in all client units.
- Credit quality remains solid; impairments of EUR 3 million reflecting net additions for individual files and an improved macroeconomic outlook.
- Strong capital position with Basel III CET1 ratio of 13.8% and Basel IV CET1 ratio around 14%.
- Third share buyback programme of EUR 500 million finalised in May.
- Our new brand promise ‘For every new beginning’ reflects how we help our clients to move forward with every new beginning, building on our entrepreneurial spirit and expertise.

Message from the CEO

The Dutch economy continues to show resilience. Uncertainties remain as geopolitical developments continue to pose a risk to the growth and inflation outlook, which may also affect interest rate developments. Demand for credit remains good and both our mortgage and corporate loan books grew. We were market leader in new mortgage production, with a market share of 19%[1] supported by competitive pricing and the continuous improvement of the customer journey. House prices are almost back to the record levels of 2022 and sentiment is improving. We expect house prices to increase further, while the tight supply on the housing market will continue to limit the number of transactions. Energy labels are increasingly influencing house prices and we have extended the term of our mortgages for financing sustainable home improvements from 15 to 30 years to better support our clients in making their homes more sustainable.

In the first quarter of 2024 we delivered a very strong performance, with a net profit of EUR 674 million. The resulting return on equity (ROE) was 11.6%. Net interest income was strong at EUR 1,589 million as we continued to benefit from the current interest rate environment. Fee income was higher at EUR 469 million, as all client units performed better compared with both last year and last quarter. Costs came down 11% in comparison with the first quarter of 2023 as regulatory levies were lower, while staff costs for data capabilities, digitalisation and regulation programmes remained high. We expect full-year costs for 2024 to be around EUR 5.3 billion due to higher staff costs in the second half of the year.

Credit quality remains solid and impairments in Q1 were EUR 3 million as net additions for individual files, mainly at Corporate Banking, were almost fully offset by the improved macroeconomic outlook and a decrease in management overlays. Risk-weighted assets increased by EUR 4.0 billion, mainly reflecting model-related add-ons and seasonal business developments. Our capital position remains strong with a fully-loaded Basel III CET1 ratio of 13.8% and a Basel IV CET1 ratio around 14%. We continue to focus on the optimisation of our capital position and are fully committed to generating and returning surplus equity to shareholders in combination with targeted growth. In early May we finalised our third share buyback programme, which had been announced in February.

Last month marked the beginning of 200 years of ABN AMRO, as our oldest predecessor, the Netherlands Trading Society (Nederlandsche Handel-Maatschappij), was established in April 1824. Over the years, we have often led the field with innovative products and have supported various global enterprises from their infancy. In 1928 we opened a Women’s Bank for women who wanted to handle their own banking and in 1948 we launched a travelling bank branch in the form of a bus that drove around in new neighbourhoods. Today we continue to build on this entrepreneurial spirit and expertise, always centred around our clients.

[1] Our data source for new mortgage production and market share changed from Land Registry (Kadaster) to Hypotheken Data Netwerk (HDN). Based on the Land Registry our market share in new mortgage production in the first quarter was 17%.

Our new brand promise 'For every new beginning', which we launched in March, projects our history into the future. We promise our clients to help them move forward with every new beginning, big or small. To ensure we live up to our promise, we are accelerating our journey towards becoming a personal bank in the digital age with a clear licence to grow. We continue to consolidate the bank's foundations by transforming our application processes and improving our model and data landscape, while streamlining our operations to become more effective and remain competitive. Our cost discipline remains important, and I am fully committed to our strategic targets.

I would like to welcome Caroline Oosterloo-Van 't Hoff, who will take on the role of Chief Risk Officer on an interim basis while we are in the process of appointing a successor to Tanja Cuppen. Our staff are the backbone of our bank, showing tremendous flexibility and determination to serve our clients. I would like to thank them for making us the bank we are. Our clients are crucial to us, and I realise that their trust is our most important asset. We do not take that for granted.

Robert Swaak
CEO of ABN AMRO Bank N.V.

Financial review

This financial review includes a discussion and analysis of the results and sets out the financial position of ABN AMRO.

Results

Operating results

(in millions)	Q1 2024	Q1 2023	Change	Q4 2023	Change
Net interest income	1,589	1,620	-2%	1,504	6%
Net fee and commission income	469	444	6%	452	4%
Other operating income	139	78	78%	85	62%
Operating income	**2,197**	**2,142**	**3%**	**2,041**	**8%**
Personnel expenses	656	606	8%	647	1%
Other expenses	600	800	-25%	815	-26%
Operating expenses	**1,257**	**1,406**	**-11%**	**1,462**	**-14%**
Operating result	**940**	**736**	**28%**	**580**	**62%**
Impairment charges on financial instruments	3	14	-77%	-83	
Profit/(loss) before taxation	**937**	**722**	**30%**	**662**	**41%**
Income tax expense	263	199	32%	117	125%
Profit/(loss) for the period	**674**	**523**	**29%**	**545**	**24%**
Attributable to:					
Owners of the parent company	674	523	29%	545	24%
Other indicators					
Net interest margin (NIM) (in bps)	162	163		152	
Cost/income ratio	57.2%	65.6%		71.6%	
Cost of risk (in bps)[1]	-1	4		-13	
Return on average equity[2]	11.6%	9.6%		9.5%	
Earnings per share (in EUR)[3, 4]	0.76	0.56		0.60	
Client assets (end of period, in billions)	347.1	309.9		317.7	
Risk-weighted assets (end of period, in billions)	144.2	131.7		140.2	
Number of internal employees (end of period, in FTEs)	20,887	20,142		20,872	
Number of external employees (end of period, in FTEs)	3,931	4,324		4,092	

1 Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding fair value adjustments from hedge accounting.
2 Annualised profit/(loss) for the period, excluding payments attributable to AT1 capital securities and results attributable to non-controlling interests, divided by the average equity attributable to the owners of the company excluding AT1 capital securities.
3 Profit/(loss) for the period, excluding payments attributable to AT1 capital securities and results attributable to non-controlling interests, divided by the average outstanding and paid-up ordinary shares.
4 For Q1 2024, the average number of outstanding shares amounted to 860,275,379. (Q4 2023: 865,575,379; for the year 2023: 871,515,973).

Large incidentals

Q1 2024

Positive revaluation DSB claim

Q1 2024 included a positive revaluation of EUR 29 million for a DSB claim, recorded in net interest income at Group Functions.

Q4 2023

Provision for variable interest compensation

During Q4 2023, the provision for client compensation was raised by EUR 34 million, mainly due to an increase in average compensation for ICS clients. This provision was recorded in net interest income at Personal & Business Banking.

Goodwill impairments

In Q4 2023, the result of the annual impairment test triggered a EUR 81 million goodwill impairment in relation to a number of past acquisitions. No goodwill remains on the balance sheet after this impairment.

CB non-core wind-down

In Q4 2023, a EUR 85 million tax benefit for deferred tax assets was recognised for our remaining US business activities.

First quarter 2024 results

Net interest income (NII) amounted to EUR 1,589 million in Q1 2024 (EUR 1,620 million in Q1 2023). Excluding large incidentals, net interest income was EUR 60 million lower than in Q1 2023, mainly due to asset margin pressure and lower Treasury results. The decline in Treasury results was partly attributable to the introduction of a zero interest rate on the mandatory cash reserve as of Q4 2023.

The net interest margin amounted to 162bps in Q1 2024 (including large incidentals) and remained broadly stable compared with Q1 2023 (163bps), as NII decreased in line with the average asset volume.

In comparison with Q4 2023, NII grew by EUR 85 million. Excluding large incidentals, NII increased by EUR 22 million, mainly due to higher Treasury results at Group Functions, which were partly offset by volume pressure on corporate loans resulting from TLTRO repayments, lower corporate loan margins and deposit volume outflow.

Net fee and commission income increased by EUR 25 million to EUR 469 million in Q1 2024 (Q1 2023: EUR 444 million) as all client units performed better. Main contributors were Personal & Business Banking, where fee income from payment services rose due to increased transaction volumes and payment package repricing, and Wealth Management, where positive stock market developments pushed up assets under management and related fees.

Compared with Q4 2023, net fee and commission income increased by EUR 17 million due to higher capital market fee income at Global Markets in Corporate Banking, higher payment service fee income at both Personal & Business Banking and Wealth Management, and higher portfolio management fee income at Wealth Management.

Other operating income totalled EUR 139 million in Q1 2024 (Q1 2023: EUR 78 million). Volatile items were higher and amounted to EUR 29 million in Q1 2024 (EUR 6 million negative in Q1 2023). The rise in volatile items was attributable to higher asset and liability management results at Treasury (EUR 5 million in Q1 2024 versus EUR 29 million negative in Q1 2023) and higher CVA/DVA/FVA[1]- results (EUR 9 million in Q1 2024 versus EUR 5 million negative in Q1 2023) offset by lower equity participation results (EUR 15 million in Q1 2024 versus EUR 28 million in Q1 2023). Excluding volatile items, other operating income went up by EUR 26 million, mainly reflecting higher fair value revaluations on loans at Personal & Business Banking.

Compared with Q4 2023, other operating income, excluding EUR 149 million in higher volatile items, was EUR 96 million lower due to lower results on disposals of smaller portfolios at Personal & Business Banking and lower equity stake revaluations. The impact of the volatile items comprised EUR 123 million for higher asset and liability management results at Treasury, EUR 32 million for higher CVA/DVA/FVA results and EUR 6 million for lower equity participation results.

[1] Credit Valuation Adjustment/Debit Valuation Adjustment/Funding Valuation Adjustment (CVA/DVA/FVA).

Note that Q4 2023 asset and liability management results at Treasury included a loss on the sale of a public sector loan portfolio and break funding costs resulting from the sale of other smaller portfolios (offset at Personal & Business Banking).

Personnel expenses amounted to EUR 656 million in Q1 2024 (Q1 2023: EUR 606 million). The increase of EUR 50 million was driven mainly by an increase in internal FTE and a salary increase as part of the collective labour agreement (CLA).

Compared with Q4 2023, personnel expenses increased slightly by EUR 10 million, mainly at Group Functions and Personal and Business Banking. Group Functions recorded an increase in internal FTE, primarily in the IT domain.

Internal FTE totalled 20,887 FTE in Q1 2024, an increase of 745 FTE on Q1 2023. This increase was mainly in Group Functions and for a smaller part in Corporate Banking and Wealth Management. The increase was mostly driven by regulatory and data programmes. Compared with Q4 2023, the number of FTE went up slightly by 15 FTE.

Other expenses amounted to EUR 600 million in Q1 2024 (Q1 2023: EUR 800 million), a decrease of EUR 200 million resulting primarily from lower regulatory levies. Regulatory levies were lower as no charge was paid for the Single Resolution Fund (SRF), which had reached its targeted level. Excluding regulatory levies, other costs increased by EUR 22 million, largely due to higher IT and consultancy expenses.

Compared with Q4 2023, excluding large incidentals, other expenses decreased by EUR 134 million mainly due to lower regulatory levies, consultancy and marketing expenses.

External FTE amounted to 3,931 FTE in Q1 2024, a decline of 393 FTE compared with Q1 2023 and 162 FTE compared with Q4 2023. The decrease compared with Q4 2023 was mainly attributable to Group Functions, reflecting the finalisation of several regulatory control activities, among others.

Impairment charges totalled EUR 3 million in Q1 2024 (Q1 2023: EUR 14 million), resulting in a cost of risk of -1bps (Q1 2023: 4bps). Impairment charges were mainly recorded for corporate loans, largely attributable to new and existing individually provisioned files in stage 3, partly offset by releases in stages 1 and 2. The releases in stage 1 and 2 resulted mainly from improved macroeconomic scenarios, lower stage 2 exposure and a decrease in management overlays.

Income tax expenses were EUR 263 million in Q1 2024 (Q1 2023: EUR 199 million), while profit before tax amounted to EUR 937 million, resulting in an effective tax rate of 28.1%. This rate is higher than the Dutch corporate income tax rate, which is 25.8%, due to the impact of non-deductible interest resulting from Dutch “thin capitalisation” rules for banks.

Profit attributable to owners of the parent company amounted to EUR 674 million in Q1 2024 (Q1 2023: EUR 523 million). After deducting coupons[1] attributable to existing and newly issued AT1 instruments as at 31 March, this amount was EUR 647 million in Q1 2024 (Q1 2023: EUR 500 million).

Risk-weighted assets (RWA) increased to EUR 144.2 billion in Q1 2024 (Q4 2023: EUR 140.2 billion), primarily driven by a rise in credit risk RWA. This included a net EUR 1.7 billion model-related add-on, as well as an increase related to seasonal business developments at Clearing.

[1] The first coupon cash payment for the newly issued AT1 instrument will be made in September 2024.

Balance sheet

Condensed consolidated statement of financial position

(in millions)	31 March 2024	31 December 2023
Cash and balances at central banks	45,623	53,656
Financial assets held for trading	2,309	1,371
Derivatives	4,347	4,403
Financial investments	47,061	41,501
Securities financing	32,575	21,503
Loans and advances banks	3,525	2,324
Loans and advances customers	252,498	245,935
Other	9,709	7,218
Total assets	**397,647**	**377,909**
Financial liabilities held for trading	1,691	917
Derivatives	2,994	2,856
Securities financing	17,920	11,710
Due to banks	8,187	5,352
Due to customers	261,329	254,466
Issued debt	65,855	66,227
Subordinated liabilities	5,556	5,572
Other	8,915	6,641
Total liabilities	**372,447**	**353,741**
Equity attributable to the owners of the parent company	25,197	24,165
Equity attributable to non-controlling interests	3	3
Total equity	**25,200**	**24,168**
Total liabilities and equity	**397,647**	**377,909**
Committed credit facilities	53,211	53,968
Guarantees and other commitments	6,614	6,289

Main developments in total assets compared with 31 December 2023

Total assets increased by EUR 19.7 billion, totalling EUR 397.6 billion at 31 March 2024. The increase was mainly driven by higher securities financing assets, higher loans and advances to customers and financial investments. The movements in securities financing assets and loans and advances to customers were for a large part driven by seasonality.

Cash and balances at central banks decreased by EUR 8.0 billion to EUR 45.6 billion, largely driven by seasonal outflow from client deposits and balance sheet management by Treasury.

Financial investments increased by EUR 5.6 billion to EUR 47.1 billion, mainly as a result of increased investments in government bonds and for a smaller part in corporate bonds.

Securities financing went up by EUR 11.1 billion to EUR 32.6 billion at 31 March 2024, reflecting a seasonal pattern.

Loans and advances customers increased by EUR 6.6 billion to EUR 252.5 billion. This increase was mainly driven by a rise in loans to professional counterparties and other loans.

Client loans increased by EUR 0.9 billion to EUR 238.2 billion, mainly due to residential mortgages, which were partially offset by a reduction in consumer loans.

Loans to professional counterparties and other loans went up by EUR 5.7 billion, especially at Clearing, mainly due to seasonal effects (as clients brought down their positions before the 2023 year-end).

Loans and advances customers

(in millions)	31 March 2024	31 December 2023
Residential mortgages	151,874	151,078
Consumer loans	8,740	9,028
Corporate loans to clients[1]	77,556	77,211
- *of which Personal & Business Banking*	*8,258*	*8,369*
- *of which Corporate Banking*	*63,409*	*62,807*
Total client loans[2]	**238,170**	**237,317**
Loans to professional counterparties and other loans[2,3]	21,878	16,129
Total loans and advances customers, gross[2]	**260,048**	**253,446**
Fair value adjustments from hedge accounting	-6,005	-5,909
Total loans and advances customers, gross	**254,043**	**247,536**
Loan impairment allowances	1,545	1,602
Total loans and advances customers	**252,498**	**245,935**

1 Corporate loans excluding loans to professional counterparties.
2 Excluding fair value adjustment from hedge accounting.
3 Loans to professional counterparties and other loans includes loans and advances to governments, official institutions and financial markets parties.

Main developments in total liabilities and equity compared with 31 December 2023

Total liabilities went up by EUR 18.7 billion to EUR 372.4 billion at 31 March 2024, mainly driven by an increase in amounts due to customers and securities financing liabilities.

Securities financing liabilities increased by EUR 6.2 billion to EUR 17.9 billion, mainly reflecting a seasonal pattern.

Due to customers went up by EUR 6.9 billion, totalling EUR 261.3 billion at 31 March 2024. This increase was largely caused by seasonal growth in professional deposits, partly offset by a decline in client deposits.

Client deposits declined by EUR 7.3 billion, primarily in current accounts. The outflow in current accounts was partly driven by seasonal factors related to tax payments, higher expenses incurred by businesses at year-end and dividend distributions by business owners.

Professional deposits showed an increase of EUR 14.1 billion, mainly in time deposits. The increase was seasonal as clients brought down their positions before the year-end and started increasing again in 2024.

Issued debt decreased by EUR 0.4 billion to EUR 65.9 billion as a EUR 1.3 billion decrease in long-term funding was largely offset by a EUR 0.9 billion increase in short-term wholesale funding. At 31 March 2024, issued debt included EUR 22.1 billion in covered bonds, EUR 12.3 billion in senior preferred funding, EUR 16.8 billion in senior non-preferred funding and EUR 14.7 billion in commercial paper and certificates of deposit. EUR 2.2 billion in outstanding long-term funding and EUR 14.7 billion in outstanding short-term funding matures within 12 months.

Total equity increased by EUR 1.0 billion to EUR 25.2 billion at 31 March 2024. This increase was mainly attributable to the inclusion of the profit for the period totalling EUR 0.7 billion and the issuance of EUR 0.7 billion in additional AT1 securities, which was partly offset by EUR 0.3 billion in share buybacks in Q1 2024.

Equity attributable to owners of the parent company amounted to EUR 25.2 billion as at 31 March 2024 (31 December 2023: EUR 24.2 billion). Excluding AT1 securities, it increased by EUR 0.3 billion to EUR 22.5 billion at 31 March 2024, resulting in a book value of EUR 26.52 per share based on 846,975,379 outstanding shares.

Due to customers

(in millions)	31 March 2024	31 December 2023
Client deposits		
Current accounts	82,356	91,612
Demand deposits	100,321	100,943
Time deposits	38,985	36,364
Other client deposits	96	96
Total Client deposits	**221,758**	**229,016**
Professional deposits		
Current accounts	9,783	8,336
Time deposits	27,822	15,364
Other professional deposits	1,965	1,750
Total Professional deposits	**39,570**	**25,450**
Due to customers	**261,329**	**254,466**

Results by segment

Personal & Business Banking

Highlights

- Net interest income, excluding large incidentals, was in line with the previous quarter.
- Mortgage volumes showed an increase in Q1 2024 on the back of rising house prices in the Netherlands. Our market share in new production of residential mortgages was 19% in Q1 2024 (Q1 2023: 16% and Q4 2023: 16%)[1]. ABN AMRO was market leader in new mortgage production in Q1 2024.
- Net fee and commission income increased to EUR 147 million in Q1 2024 (Q1 2023: EUR 132 million), mainly driven by an increase in transaction volumes and payment package repricing. Compared to Q4 2023, Q1 2024 also benefitted from payment package repricing, partly offset by transaction volumes coming down after the holiday season in December.
- Other operating income increased by EUR 19 million compared to Q1 2023, mainly due to more beneficial fair value revaluations on loans. Q4 2023 included the positive effect of smaller portfolio sales (offset at Group Functions), which mainly explains the decrease in Q1 2024.
- Operating expenses were EUR 62 million lower than in Q1 2023, mainly due to lower regulatory levies which were partially offset by higher personnel expenses. The rise in personnel expenses was attributable to a salary increase as part of the CLA and restructuring provisions in Q1 2024.
- Loan impairments amounted to EUR 3 million as releases occurred mainly as a result of more repayments, further improvements of days past due and the improved House Price Index, partly offset by new defaulted files in combination with additional provisions for loans written off.

1 We changed the source for new mortgage production and market shares from Land Registry (Kadaster) to Hypotheken Data Netwerk (HDN), as HDN data reflects more timely production volumes and data from peers in the mortgage market whereas the Land Registry records data from mortgage registrations including data of non-peers. Based on Kadaster data, our market share in new production of residential mortgages was 17% in Q1 2024. Comparable figures indicated above reflect HDN data.

Operating results

(in millions)	Q1 2024	Q1 2023	Change	Q4 2023	Change
Net interest income	805	809		779	3%
Net fee and commission income	147	132	11%	143	3%
Other operating income	14	-5		78	-81%
Operating income	**967**	**937**	**3%**	**1,000**	**-3%**
Personnel expenses	129	114	13%	122	6%
Other expenses	467	544	-14%	524	-11%
Operating expenses	**596**	**658**	**-9%**	**646**	**-8%**
Operating result	**371**	**278**	**33%**	**354**	**5%**
Impairment charges on financial instruments	-3	1		-34	92%
Profit/(loss) before taxation	**373**	**277**	**35%**	**388**	**-4%**
Income tax expense	97	71	36%	106	-9%
Profit/(loss) for the period	**277**	**206**	**34%**	**281**	**-2%**
Cost/income ratio	61.7%	70.3%		64.6%	
Cost of risk (in bps)[1]		1		-9	
Other indicators					
Loans and advances customers (end of period, in billions)	157.4	157.5		156.9	
-of which Client loans (end of period, in billions)[2]	*157.9*	*158.1*		*157.4*	
Due to customers (end of period, in billions)	123.8	122.3		124.4	
Risk-weighted assets (end of period, in billions)	38.1	38.7		39.1	
Number of internal employees (end of period, in FTEs)	4,496	4,482		4,551	
Total client assets (end of period, in billions)	103.3	99.8		102.1	
- of which Cash	*91.4*	*88.9*		*90.9*	
- of which Securities	*11.9*	*10.9*		*11.2*	

1 Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding fair value adjustments from hedge accounting.
2 Gross carrying amount excluding fair value adjustment from hedge accounting.

Wealth Management

Highlights

- Net interest income decreased by EUR 21 million compared to Q1 2023, reflecting lower interest margins mainly due to the conversion from current and savings accounts to time deposits. In comparison with previous quarter, deposit margins increased resulting in higher net interest income.
- Net fee and commission income increased by EUR 7 million on Q1 2023, largely supported by higher asset management fee income on the back of favourable stock market developments and higher transaction volumes. In comparison with Q4 2023, the positive stock market performance also resulted in higher fee income.
- Client assets increased by EUR 28.1 billion compared to Q4 2023. The increase of client assets occurred mainly in securities. Net new assets in Q1 2024 amounted to EUR 19.7 billion, the majority of which related to short-term custody. The remaining increase of EUR 8.4 billion was driven by market performance.
- Excluding large incidentals, operating expenses were slightly higher in Q1 2024 than in Q4 2023 due mainly to higher cost allocations from Group Functions.
- Impairment charges of EUR 6 million were recorded primarily due to new individually provisioned files.

Operating results

(in millions)	Q1 2024	Q1 2023	Change	Q4 2023	Change
Net interest income	238	259	-8%	225	6%
Net fee and commission income	156	149	5%	150	4%
Other operating income	7	4	87%	16	-57%
Operating income	**401**	**412**	**-3%**	**391**	**3%**
Personnel expenses	104	101	3%	106	-2%
Other expenses	157	158	-1%	217	-28%
Operating expenses	**261**	**259**	**1%**	**323**	**-19%**
Operating result	**140**	**153**	**-8%**	**67**	**108%**
Impairment charges on financial instruments	6	-1		4	35%
Profit/(loss) before taxation	**135**	**154**	**-13%**	**63**	**113%**
Income tax expense	38	42	-12%	33	12%
Profit/(loss) for the period	**97**	**111**	**-13%**	**30**	
Cost/income ratio	65.0%	62.9%		82.7%	
Cost of risk (in bps)[1]	15	-4		10	
Other indicators					
Loans and advances customers (end of period, in billions)	16.3	17.0		16.5	
-of which Client loans (end of period, in billions)[2]	*16.4*	*17.2*		*16.6*	
Due to customers (end of period, in billions)	64.0	64.7		66.2	
Risk-weighted assets (end of period, in billions)	13.3	11.1		11.2	
Number of internal employees (end of period, in FTEs)	2,953	2,837		2,931	
Total client assets (end of period, in billions)	243.7	210.1		215.6	
- of which Cash	*63.9*	*64.7*		*66.6*	
- of which Securities	*179.8*	*145.4*		*149.1*	
Net new assets (for the period, in billions)	19.7	0.4		0.8	

1 Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding fair value adjustments from hedge accounting.
2 Gross carrying amount excluding fair value adjustment from hedge accounting.

Corporate Banking

Highlights

- Net interest income totalled EUR 596 million, 10% higher compared with Q1 2023, mainly due to improved margins on liabilities on the back of increased interest rates, higher Clearing results and higher interest allocations from Group Functions. In comparison with Q4 2023, net interest income was rather flat.
- Net fee and commission income improved slightly compared to Q1 2023, driven mainly by higher capital market fee income at Global Markets and higher transaction volumes at Clearing. Global Markets were also the main contributor to higher fee income when comparing Q1 2024 against Q4 2023.
- Operating expenses were EUR 74 million lower than in Q1 2023, primarily as regulatory levies were EUR 112 million lower as SRF had reached its targeted level. Lower regulatory levies were partially offset by higher cost allocations from Group Functions.
- Impairment charges were nihil in Q1 2024 as individual impairments were fully offset by model based releases.

Operating results

(in millions)	Q1 2024	Q1 2023	Change	Q4 2023	Change
Net interest income	596	542	10%	590	1%
Net fee and commission income	173	170	2%	164	5%
Other operating income	108	116	-7%	104	4%
Operating income	**878**	**829**	**6%**	**858**	**2%**
Personnel expenses	146	143	2%	148	-2%
Other expenses	260	338	-23%	303	-14%
Operating expenses	**406**	**480**	**-16%**	**451**	**-10%**
Operating result	**472**	**348**	**35%**	**407**	**16%**
Impairment charges on financial instruments		15	-98%	-54	
Profit/(loss) before taxation	**471**	**334**	**41%**	**461**	**2%**
Income tax expense	121	87	39%	31	
Profit/(loss) for the period	**350**	**247**	**42%**	**431**	**-19%**
Cost/income ratio	46.3%	58.0%		52.6%	
Cost of risk (in bps)[1]	-5	11		-27	
Other indicators					
Loans and advances customers (end of period, in billions)	84.0	82.6		77.7	
-of which Client loans (end of period, in billions)[2]	*63.9*	*64.9*		*63.3*	
Due to customers (end of period, in billions)	56.9	59.2		58.0	
-of which Client deposits (end of period, in billions)	*34.0*	*40.3*		*38.4*	
-of which Professional deposits (end of period, in billions)	*22.9*	*18.9*		*19.6*	
Risk-weighted assets (end of period, in billions)[3]	89.2	77.6		79.8	
Number of internal employees (end of period, in FTEs)	3,794	3,654		3,851	

1 Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding fair value adjustments from hedge accounting.
2 Gross carrying amount excluding fair value adjustment from hedge accounting.
3 In Q1 2024, RWA increased with EUR 9.4 billion, partly due to reallocation from Group Functions related to the credit risk and the operational risk.

Group Functions

Highlights

- Net interest income, excluding large incidentals, showed a decline of EUR 89 million compared to Q1 2023, mainly due to the introduction of a zero interest rate on the mandatory cash reserve as of Q4 2023 and higher interest allocations to client units (with nil impact for the group).
- Other operating income was significantly higher than in Q4 2023. This change mainly reflected a loss incurred on the sale of a public sector loan portfolio and break funding costs due to the sale of other smaller portfolios in Q4 2023 (offset at client units).
- Personnel expenses increased compared with Q1 2023, mainly due to a rise in internal FTE (related to regulatory and data programmes) and salary increases under the CLA.
- Loans and advances to customers amounted to EUR 5.2 billion negative, an increase compared with Q1 2023, mainly due to lower long-term interest rates which positively impacted fair value adjustments for hedge accounting.

Operating results

(in millions)	**Q1 2024**	Q1 2023	Change	Q4 2023	Change
Net interest income	-50	10		-90	44%
Net fee and commission income	-7	-8	9%	-5	-45%
Other operating income	9	-37		-112	
Operating income	**-48**	**-36**	**-36%**	**-207**	**77%**
Personnel expenses	277	248	12%	270	3%
Other expenses	-283	-240	-18%	-229	-24%
Operating expenses	**-6**	**8**		**41**	
Operating result	**-42**	**-43**	**2%**	**-249**	**83%**
Impairment charges on financial instruments		-1	81%	1	
Profit/(loss) before taxation	**-42**	**-42**	**1%**	**-250**	**83%**
Income tax expense	8	-1		-53	
Profit/(loss) for the period	**-50**	**-41**	**-21%**	**-196**	**75%**
Other indicators					
Securities financing - assets (end of period, in billions)	21.4	21.1		13.5	
Loans and advances customers (end of period, in billions)	-5.2	-7.6		-5.2	
Securities financing - liabilities (end of period, in billions)	17.4	21.7		11.5	
Due to customers (end of period, in billions)	16.7	15.8		5.8	
Risk-weighted assets (end of period, in billions)[1]	3.6	4.3		10.0	
Number of internal employees (end of period, in FTEs)	9,644	9,169		9,539	

[1] In Q1 2024, RWA decreased due to reallocation to the client units.

Additional financial information

Selected financial information

Condensed consolidated income statement

(in millions)	Q1 2024	Q1 2023	Q4 2023
Income			
Interest income calculated using the effective interest method	4,308	3,343	4,390
Other interest and similar income	106	62	97
Interest expense calculated using the effective interest method	2,807	1,771	2,949
Other interest and similar expense	18	15	34
Net interest income	**1,589**	**1,620**	**1,504**
Fee and commission income	603	566	580
Fee and commission expense	134	122	128
Net fee and commission income	**469**	**444**	**452**
Income from other operating activities	123	52	151
Expenses from other operating activities	20	28	22
Net income from other operating activities	**103**	**24**	**128**
Net trading income	73	54	17
Share of result of equity-accounted investments	-23	3	7
Net gains/(losses) on derecognition of financial assets measured at amortised cost	-14	-3	-67
Operating income	**2,197**	**2,142**	**2,041**
Expenses			
Personnel expenses	656	606	647
General and administrative expenses	561	759	691
Depreciation, amortisation and impairment losses of tangible and intangible assets	40	41	124
Operating expenses	**1,257**	**1,406**	**1,462**
Impairment charges on financial instruments	3	14	-83
Total expenses	**1,260**	**1,420**	**1,379**
Profit/(loss) before taxation	**937**	**722**	**662**
Income tax expense	263	199	117
Profit/(loss) for the period	**674**	**523**	**545**
Attributable to:			
Owners of the parent company	674	523	545

Condensed consolidated statement of comprehensive income

(in millions)	Q1 2024	Q1 2023	Q4 2023
Profit/(loss) for the period	**674**	**523**	**545**
Other comprehensive income:			
Items that will not be reclassified to the income statement			
Remeasurement gains/(losses) on defined benefit plans			-10
Gains/(losses) on liability own credit risk		1	
Items that will not be reclassified to the income statement before taxation		**1**	**-10**
Income tax relating to items that will not be reclassified to the income statement			-3
Items that will not be reclassified to the income statement after taxation			**-7**
Items that may be reclassified to the income statement			
Net gains/(losses) currency translation reserve	23	-21	-51
Less: Reclassification currency translation reserve through the income statement			-11
Net gains/(losses) currency translation reserve through OCI	23	-21	-40
Net gains/(losses) fair value reserve through OCI	-104	17	-93
Net gains/(losses) cash flow hedge reserve	-51	85	107
Less: Reclassification cash flow hedge reserve through the income statement	-47	-27	-45
Net gains/(losses) cash flow hedge reserve through OCI	-4	112	152
Share of other comprehensive income of associates		-2	5
Items that may be reclassified to the income statement before taxation	**-84**	**105**	**24**
Income tax relating to items that may be reclassified to the income statement	-28	33	16
Items that may be reclassified to the income statement after taxation	**-57**	**72**	**8**
Total comprehensive income/(expense) for the period after taxation	**617**	**595**	**547**
Attributable to:			
Owners of the parent company	617	595	547

Condensed consolidated statement of changes in equity

(in millions)	Share capital	Share premium	Other reserves including retained earnings	Accumulated other comprehensive income	Net profit/(loss) attributable to owners of the parent company	AT1 capital securities	Equity attributable to the owners of the parent company	Non-controlling interests	Total equity
Balance at 1 January 2023	**898**	**12,529**	**6,211**	**- 842**	**1,868**	**1,985**	**22,648**	**2**	**22,650**
Total comprehensive income				72	523		595		595
Transfer			1,868		- 1,868				
Increase of capital						1	1		1
Share buyback[1]			- 462				- 462		- 462
Paid interest on AT1 capital securities			- 46				- 46		- 46
Other changes in equity[2]			- 10				- 10		- 10
Balance at 31 March 2023	**898**	**12,529**	**7,561**	**- 770**	**523**	**1,985**	**22,726**	**2**	**22,728**
Balance at 1 January 2024	**866**	**12,192**	**6,739**	**-315**	**2,697**	**1,987**	**24,165**	**3**	**24,168**
Total comprehensive income				-56	674		617		617
Transfer			2,697		-2,697				
Increase of capital[1]						746	746		746
Share buyback[1]			-280				-280		-280
Paid interest on AT1 capital securities			-46				-46		-46
Other changes in equity[2]			-6				-6		-6
Balance at 31 March 2024	**866**	**12,192**	**9,105**	**- 371**	**674**	**2,733**	**25,197**	**3**	**25,200**

1 For more information, please refer to the Capital management chapter.
2 Including EUR 6 million transaction costs related to the share buyback (Q1 2023: EUR 10 million).

Risk developments

Key figures

(in millions)	31 March 2024	31 December 2023
Total loans and advances, gross carrying amount[1,2]	**262,880**	**255,066**
- of which Banks	*3,528*	*2,327*
- of which Residential mortgages[1]	*151,874*	*151,078*
- of which Consumer loans[2]	*8,102*	*8,380*
- of which Corporate loans[1,2]	*92,550*	*86,784*
- of which Other loans and advances customers[2]	*6,826*	*6,497*
Total Exposure at Default (EAD)	**393,886**	**386,024**
Credit quality indicators[2]		
Forbearance ratio	2.2%	2.2%
Past due ratio	0.7%	0.8%
Stage 2 ratio	8.1%	8.7%
Stage 2 coverage ratio	1.2%	1.3%
Stage 3 ratio[3]	1.9%	1.9%
Stage 3 coverage ratio[3]	22.3%	22.9%
Regulatory capital		
Total RWA	144,174	140,187
- of which Credit risk[4]	*125,746*	*122,548*
- of which Operational risk	*15,977*	*15,465*
- of which Market risk	*2,451*	*2,175*
Total RWA/total EAD	36.6%	36.3%
Mortgage indicators		
Residential mortgages, gross carrying amount[1]	151,874	151,078
- of which mortgages with Nationale Hypotheek Garantie (NHG)	*29,953*	*29,542*
Exposure at Default[5]	158,506	157,486
Risk-weighted assets (Credit risk)[5]	23,932	23,891
RWA/EAD	15.1%	15.2%
Average Loan-to-Market-Value	57%	58%
Average Loan-to-Market-Value - excluding NHG loans	57%	58%

1 Excluding fair value adjustments from hedge accounting.
2 Excluding loans and advances measured at fair value through P&L.
3 Including Purchased or originated credit impaired (POCI).
4 RWA for credit value adjustment (CVA) is included in credit risk. CVA per 31 March 2024: EUR 0.3 billion (31 December 2023: EUR 0.3 billion).
5 The RWA (Credit risk) and Exposure at Default amounts are based on the exposure class Secured by immovable property. This scope is slightly broader than the residential mortgage portfolio.

Loans and advances

Total loans and advances increased to EUR 262.9 billion in the first quarter of 2024 (31 December 2023: EUR 255.1 billion). The largest increase was observed for corporate loans, mainly to professional counterparties and predominantly as a result of increased business activities at Clearing. Loans to banks also showed an increase following an increase in short-term loans and balances on nostro accounts.

Exposure at Default

The exposure at default (EAD) increased by EUR 7.9 billion to EUR 393.9 billion on 31 March 2024. This was mainly due to an increase in exposure at Clearing caused by seasonal effects.

Credit quality indicators

The credit quality indicators showed a modest improvement in the past quarter. The amount of forborne assets rose to EUR 5.8 billion (31 December 2023: EUR 5.5 billion), in line with the overall increase of loans and advances. As a result, the forbearance ratio remained stable at 2.2%. The past due ratio improved to 0.7% (31 December 2023: 0.8%) as there was a decline in residential mortgages in arrears.

The stage 2 ratio improved from 8.7% to 8.1% due to new loan production and shifts to risk stage 1. The stage 3 ratio remained stable at 1.9%. The coverage ratio for stage 3 declined modestly to 22.3% (31 December 2023: from 22.9%), mainly due to changes in the risk profile of corporate loans in default, as well as some write-offs.

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Risk-weighted assets

Total risk-weighted assets (RWA) increased to EUR 144.2 billion at 31 March 2024 (31 December 2023: EUR 140.2 billion), primarily driven by a rise in credit risk RWA. This included a net EUR 1.7 billion model-related add-on, as well as an increase related to seasonal business developments at Clearing. We are continuing the review of our credit risk RWA models, which may lead to further model updates and RWA add-ons under both Basel III and Basel IV.

Operational risk RWA increased slightly to EUR 16.0 billion (31 December 2023: EUR 15.5 billion). Under the standardised approach (TSA), operational risk RWA is based on a three-year average of the operating income. The average operating income increased due to the addition of the 2023 income to replace the 2020 figure. As of Q1, RWA for operational risk is allocated to client units based on client units' total income, in line with the standardised approach (TSA). Risk-weighted assets related to market risk increased slightly due to position changes, partially offsetting a decrease of the capital multipliers for value-at-risk (VaR) and stressed-VaR.

Impairments and cost of risk

	Q1 2024	Q1 2023	Q4 2023
Impairment charges on loans and other advances (in EUR million)[1]	3	14	-83
- of which Residential mortgages	*- 14*	*3*	*6*
- of which Consumer loans	*1*	*-8*	*-9*
- of which Corporate loans	*7*	*32*	*-83*
- of which Off-balance sheet items	*10*	*-9*	*5*
Cost of risk (in bps)[2, 3]	-1	4	-13
- of which Residential mortgages	*- 4*	*1*	*2*
- of which Consumer loans	*4*	*-33*	*-42*
- of which Corporate loans	*3*	*14*	*-37*

1 Including other loans and impairments charges on off-balance sheet exposures.
2 Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers on the basis of gross carrying amount and excluding fair value adjustment from hedge accounting.
3 Calculation of CoR excludes (impairment charges on) off-balance exposures.

In Q1 2024, we recorded impairment charges of EUR 3 million (Q1 2023: EUR 14 million), resulting in a cost of risk of -1bps (Q1 2023: 4bps). Note that the cost-of-risk calculation excludes off-balance exposures.

Impairment charges were mainly recorded for corporate loans, largely for new and existing individually provisioned files in stage 3, primarily in the real estate sector and the oil equipment, services & distribution sector. They were partly offset by releases in stages 1 and 2, due to improved macroeconomic scenarios, a decrease in management overlays for wind-down portfolios and lower stage 2 exposure. For residential mortgages, we recorded a small release of impairments, mainly as a result of a rise in repayments, a decline in arrears and an improved outlook for house prices in the Netherlands.

Macroeconomic scenarios
ECL scenarios on 31 March 2024

(in millions)	Weight	Macroeconomic variable	2024	2025	2026	2027
Positive	15%	Real GDP Netherlands[1]	2.7%	2.5%	2.0%	1.8%
		Unemployment[2]	3.5%	3.5%	3.4%	3.4%
		House price index[3]	5.6%	4.0%	1.7%	2.2%
Baseline	60%	Real GDP Netherlands[1]	0.7%	1.2%	1.3%	1.4%
		Unemployment[2]	4.0%	4.2%	4.2%	4.3%
		House price index[3]	4.0%	3.5%	0.5%	1.5%
Negative	25%	Real GDP Netherlands[1]	-1.1%	0.1%	1.1%	0.8%
		Unemployment[2]	5.2%	6.3%	5.9%	5.7%
		House price index[3]	-5.0%	-5.0%	0.5%	2.5%

1 Real GDP Netherlands, % change year-on-year.
2 Unemployment Netherlands, % of labour force.
3 House price index Netherlands - average % change year-on-year.

ECL scenarios on 31 December 2023

(in millions)	Weight	Macroeconomic variable	2023	2024	2025	2026
Positive	15%	Real GDP Netherlands[1]	0.3%	2.0%	2.0%	1.4%
		Unemployment[2]	3.6%	3.7%	3.6%	3.5%
		House price index[3]	-2.5%	4.5%	2.0%	1.5%
Baseline	60%	Real GDP Netherlands[1]	0.2%	0.6%	1.1%	1.3%
		Unemployment[2]	3.6%	4.1%	4.0%	4.0%
		House price index[3]	-3.0%	2.5%	0.5%	1.5%
Negative	25%	Real GDP Netherlands[1]	0.0%	-1.0%	1.0%	1.6%
		Unemployment[2]	3.7%	6.1%	5.6%	5.3%
		House price index[3]	-3.5%	-7.5%	-5.0%	1.3%

1 Real GDP Netherlands, % change year-on-year.
2 Unemployment Netherlands, % of labour force.
3 House price index Netherlands - average % change year-on-year.

After a challenging 2023, we expect growth to remain positive but weak in 2024. Annual GDP growth in the Netherlands is expected to be 0.7% in 2024 and 1.2% in 2025, up from 0.1% in 2023 but below the trend in growth rate. The labour market remains tight and unemployment will remain low from a historical perspective, but it is expected to rise to an average of 4.0% in 2024 and 4.2% in 2025, up from 3.6% in 2023. House transactions dampened and house prices were under pressure due to rising mortgage interest rates. Nevertheless, the housing market rebounded due to the tight labour market, the lack of new construction, higher income levels and stable interest rates. Our forecast for the house price index therefore improved compared to previous quarters. This does not hold for commercial real estate prices, which are expected to fall by another 3.7% in 2024.

Note that the scenarios used for expected credit loss (ECL) calculations on 31 March 2024 reflect the expectations of our economists as at the end of February 2024. Economic developments that took place after that date will be reflected in our ECL calculation for the second quarter of 2024. The scenario weights indicated in the tables above are in place for ECL calculation purposes only and are designed to capture prevailing uncertainties in the macroeconomic outlook in our ECL estimate.

Coverage and stage ratios

	31 March 2024				31 December 2023	
(in millions)	Gross carrying amount[3]	Allowances for credit losses[4]	Coverage ratio	Stage ratio	Coverage ratio	Stage ratio
Stage 1						
Loans and advances banks	**3,492**	**3**	**0.1%**	**99.0%**	**0.1%**	**98.4%**
Residential mortgages	139,995	21	0.0%	92.2%	0.0%	91.8%
Consumer loans[1]	7,459	17	0.2%	92.1%	0.2%	91.4%
Corporate loans[1]	79,322	180	0.2%	85.7%	0.3%	84.5%
Other loans and advances customers[1]	6,802		0.0%	99.6%	0.0%	99.7%
Total loans and advances customers[1]	**233,578**	**218**	**0.1%**	**90.1%**	**0.1%**	**89.5%**
Stage 2						
Loans and advances banks	**37**		**0.0%**	**1.0%**	**0.0%**	**1.6%**
Residential mortgages	10,563	43	0.4%	7.0%	0.4%	7.4%
Consumer loans[1]	399	10	2.6%	4.9%	2.4%	5.6%
Corporate loans[1]	9,952	194	2.0%	10.8%	2.2%	11.9%
Other loans and advances customers[1]	14	1	6.3%	0.2%	7.9%	0.2%
Total loans and advances customers[1]	**20,928**	**248**	**1.2%**	**8.1%**	**1.3%**	**8.7%**
Stage 3 and POCI[2]						
Loans and advances banks						
Residential mortgages	1,316	123	9.4%	0.9%	9.7%	0.9%
Consumer loans[1]	243	115	47.1%	3.0%	46.3%	3.0%
Corporate loans[1]	3,276	839	25.6%	3.5%	26.4%	3.6%
Other loans and advances customers[1]	10	2	21.1%	0.1%	27.1%	0.1%
Total loans and advances customers[1]	**4,846**	**1,079**	**22.3%**	**1.9%**	**22.9%**	**1.9%**
Total of stages 1, 2, 3 and POCI[2]						
Total loans and advances banks	**3,528**	**3**	**0.1%**		**0.1%**	
Residential mortgages	151,874	187	0.1%		0.1%	
Consumer loans[1]	8,102	142	1.7%		1.8%	
Corporate loans[1]	92,550	1,213	1.3%		1.4%	
Other loans and advances customers[1]	6,826	3	0.0%		0.1%	
Total loans and advances customers[1]	**259,352**	**1,545**	**0.6%**		**0.6%**	
Total loans and advances[1]	**262,880**	**1,548**	**0.6%**		**0.6%**	

1 Excluding loans at fair value through P&L.
2 On 31 March 2024 loans classified as POCI amounted to EUR 5 million (31 December 2023: EUR 5 million). Due to the immateriality it has been included in the amount shown for stage 3.
3 Gross carrying amount excludes fair value adjustments from hedge accounting.
4 The allowances for credit losses excludes allowances for financial investments held at FVOCI (31 March 2024: EUR 1 million; 31 December 2023: EUR 1 million).

Residential mortgages
Housing market developments

Residential property prices in the Netherlands continued to increase in the first months of 2024. By the end of the quarter, they were close to the price levels of July 2022 (previous highest level). House prices as published by the Dutch Land Registry (Kadaster) were 2.9% higher than in Q4 2023 and 6.5% higher than in Q1 2023. According to Vereniging Eigen Huis, consumer confidence on the housing market increased to 85 in March 2024 (from 72 in June 2023), but was still below the neutral level of 100. Furthermore, declining interest rates and wage increases in the current tight labour market are boosting borrowing capacity, which in turn can influence house prices going forward.

The number of houses sold in January and February 2024 increased by 11.6% compared to the previous year. However, the number of transactions remained low and the supply of houses on the market remained tight. The number of homes put up for sale increased slightly compared to Q1 2023 (30,500 versus 29,500), but decreased noticeably in comparison with Q4 2023 (36,000). The tight housing market forced a growing number of potential buyers to bid prices above the asking price. According to NVM (largest association of real estate agents and appraisers in the Netherlands), 55% of houses sold in the first quarter of the year were purchased above the asking price.

Residential mortgage portfolio insights

New mortgage production amounted to EUR 3.9 billion, an increase of 16.2% compared to Q4 2023 (EUR 3.4 billion) and 35.5% more than in Q1 2023 (EUR 2.9 billion). ABN AMRO's market share in new mortgage production came to 19% in Q1 2024 (Q4 2023: 16%, Q1 2023: 16%)[1]. In Q1 2024, redemptions totalled EUR 3.3 billion, down 13.0% from Q4 2023 but 3.8% more than in Q1 2023. Note that mortgage redemptions tend to be seasonal and typically high at the end of the year.

The average Loan to indexed Market Value (LtMV) decreased further to 57% (31 December 2023: 58%). The gross carrying amount of mortgages with an LtMV in excess of 100% decreased to EUR 5.0 billion, or 3.3% of the outstanding portfolio (31 December 2023: EUR 6.3 billion, or 4.2% of the outstanding portfolio) mainly due to the previously mentioned house price developments. New inflow of mortgages with an LtMV in excess of 100% related mainly to sustainable home improvements, which may be financed up to an LtMV of 106%. On 31 March 2024, the total exposure of mortgages originated in the first quarter with an LtMV in excess of 100% was approximately EUR 0.9 billion.

The proportion of amortising mortgages further increased to 47.2% at 31 March 2024 (31 December 2023: 46.5%). At the end of Q1 2024, 41.5% of the portfolio consisted of interest-only mortgages (31 December 2023: 41.9%), of which 14.2% concerned fully interest-only loans (31 December 2023: 14.3%). The amount of fully interest-only mortgages with an LtMV in excess of 100% is very limited (31 March 2024: 0.04%). The percentage of mortgage loans in arrears decreased from 0.8% in Q4 2023 to 0.6% in Q1 2024.

Other Risk Developments

Collective action regarding business credits with variable interest rate

ABN AMRO received a claim from the claim foundation Stichting Massaschade & Consument, alleging that ABN AMRO charged too much interest on certain revolving business credits with a variable interest rate, which had been sold to small and micro enterprises. The claim foundation argues that earlier Kifid rulings on revolving consumer credits with a variable interest rate, in which Kifid ruled that the contractual interest rate must follow the movements of the average market rate, should also apply to these business credits. ABN AMRO has refuted the allegations of the claim foundation.

On 14 May 2024, ABN AMRO received a writ of summons to commence a collective action. The writ of summons does not specify a substantiated amount of damages claimed. ABN AMRO continues to refute the allegations of the claim foundation and a provision has not been recognised for this matter.

[1] We changed the source for new mortgage production and market shares from Land Registry (Kadaster) to Hypotheken Data Netwerk (HDN), as HDN data reflects more timely production volumes and data from peers in the mortgage market, whereas the Land Registry records data from mortgage registrations including data of non-peers. Based on Kadaster data, our market share in new production of residential mortgages was 17% in Q1 2024. The comparable figures indicated above reflect HDN data.

Capital management

Regulatory capital structure

(in millions)		31 March 2024		31 December 2023
Total equity (EU IFRS)		**25,200**		**24,168**
Final dividend of prior year to be paid out		-770		
Dividend reserve		-324		-770
AT1 capital securities (EU IFRS)		-2,733		-1,987
Share buyback reserve		-220		-500
Regulatory and other adjustments		-1,201		-907
Common Equity Tier 1		**19,952**		**20,003**
AT1 capital securities (EU IFRS)		2,733		1,987
Regulatory and other adjustments		-5		-5
Tier 1 capital		**22,680**		**21,985**
Subordinated liabilities (EU IFRS)	5,556		5,572	
Regulatory and other adjustments	-1,380		-1,294	
Tier 2 capital		**4,176**		**4,279**
Total regulatory capital		**26,856**		**26,264**
Other MREL eligible liabilities[1]		18,997		17,772
Total MREL eligible liabilities		**45,853**		**44,036**
Total risk-weighted assets		**144,174**		**140,187**
Exposure measure				
Exposure measure		435,207		412,957
Capital ratios				
Common Equity Tier 1 ratio		13.8%		14.3%
Common Equity Tier 1 ratio (Basel IV)[2]		14%		15%
Tier 1 ratio		15.7%		15.7%
Total capital ratio		18.6%		18.7%
MREL		31.8%		31.4%
Leverage ratio		5.2%		5.3%

1 Other MREL eligible liabilities consists of subordinated liabilities and senior non-preferred notes that are not included in regulatory capital.
2 Basel IV results are based on fully-loaded figures, rounded to the nearest whole percent, based on ABN AMRO's interpretation of the Basel IV framework and subject to the implementation of Basel IV standards into EU legislation.

Developments impacting capital ratios

On 31 March 2024, the CET1 ratio under Basel III was 13.8% (31 December 2023: 14.3%). In comparison with Q4 2023, the CET1 ratio decreased due to an increase in RWA and capital deductions. Total RWA increased by EUR 4.0 billion compared to 31 December 2023, primarily driven by a rise in credit risk RWA, which included EUR 1.7 billion in model-related add-ons and seasonal business developments at Clearing. The Q1 2024 net profit, amounting to EUR 647 million after deduction of AT1 coupons, was added to CET1 capital excluding a 50% dividend reservation. CET1 capital was impacted by capital deductions, which included the effect of the transfer of portfolios to less sophisticated approaches. All capital ratios were in line with the bank's risk appetite and comfortably above regulatory requirements.

The maximum distributable amount (MDA) trigger level (excluding AT1 shortfall) increased slightly to 10.8% (31 December 2023: 10.6%). The increase of the MDA trigger level resulted mainly from the increase of the Pillar 2 requirement to 2.25% (from 2.00%) as of 1 January 2024 and represents the final outcome of the 2023 Supervisory Review and Evaluation Process (SREP) by the ECB. The Basel III CET1 ratio of 13.8% remained well above the MDA trigger level.

As previously announced, the Dutch central bank (DNB) will increase the countercyclical capital buffer (CCyB) to 2% (from 1%) and lower the O-SII buffer to 1.25% (from 1.50%) on 31 May 2024. Together with the announced CCyB increases in other countries, the combined effect of these measures is expected to result in a pro forma MDA trigger level (excluding AT1 shortfall) of 11.2%. The reported Basel III CET1 ratio is well above the pro forma MDA trigger level.

Based on our latest views of the Basel IV EU proposal, the fully-loaded Basel IV CET1 ratio was estimated around 14% on 31 March 2024. This was above the target of 13.5%.

Despite the agreement reached on the implementation of Basel III reforms, the estimated Basel IV CET1 ratio is still subject to remaining uncertainties. These include data limitations, finalisation and publication of EBA guidelines, Regulatory and Implementing Technical Standards, and portfolio developments.

We are continuing the review of our credit risk RWA models, which may lead to further model updates and RWA add-ons under both Basel III and Basel IV.

Share buyback programme

On 14 February 2024, in line with our capital framework, we announced a share buyback programme of EUR 500 million. The programme commenced on 15 February and was completed on 6 May. Under the programme, 32,526,813 depositary receipts and ordinary shares were repurchased. Upon completion of the share buyback programme, the outstanding number of depositary receipts and ordinary shares was 833,048,566. We intend to cancel the repurchased ordinary shares and corresponding depository receipts in due course. Majority shareholder NLFI participated in the share buyback programme on a pro-rata basis of 40% as NLFI is currently executing a trading programme aimed at bringing down its stake to approximately 40%.

Leverage ratio

The Capital Requirements Regulation (CRR) includes a non-risk-based and binding leverage ratio. The leverage ratio decreased to 5.2% as of 31 March 2024 (31 December 2023: 5.3%). This was mainly due to the increase in on-balance sheet exposures, which was partly offset by an increase of Tier 1 capital, mainly from the issuance of a EUR 750 million AT1 instrument. The reported leverage ratio remained well above the 3.0% requirement.

MREL

Based on the eligible liabilities, i.e. own funds, subordinated instruments and senior non-preferred (SNP) notes, the MREL ratio increased to 31.8% as of 31 March 2024 (31 December 2023: 31.4%). The increase was mainly driven by the issuance of a EUR 1.0 billion SNP note and the EUR 750 million AT1 instrument, which was partly offset by the increase in RWA.

As of 1 January 2024, our MREL requirement was set at 28.3% of Basel III RWA, of which 24.7% must be met by own funds, subordinated instruments and SNP notes. This includes a CBR of 5.0%.

The expected MREL requirement for 31 May 2024 is 28.8%, of which 25.2% must be met by own funds, subordinated instruments and SNP notes. This is due to the increase of the CBR to 5.5%.

The MREL ratio of 31.8% is well above the current and expected MREL requirements. The reported MREL ratio excludes EUR 3.7 billion of grandfathered senior preferred liabilities currently eligible for MREL.

About this report

Introduction
This report presents ABN AMRO's results for the first quarter of 2024. It provides a quarterly business and financial review, as well as risk and capital disclosures.

Presentation of information
Except for the changes described below, the financial information contained in this Quarterly Report has been prepared according to the same accounting policies as our most recent financial statements, which were prepared in accordance with EU IFRS. The figures in this document have not been audited or reviewed by our external auditor. This report is presented in euros (EUR), which is ABN AMRO's functional and presentation currency, rounded to the nearest million (unless otherwise stated).

All annual averages in this report are based on month-end figures. Management does not believe these month-end averages present trends that are materially different from those that would be presented by daily averages. Certain figures in this report may not tally exactly due to rounding. Furthermore, certain percentages in this document have been calculated using rounded figures.

To download this report or to obtain more information, please visit us at abnamro.com/ir or contact us at investorrelations@nl.abnamro.com. In addition to this report, ABN AMRO provides an analyst and investor call, an investor presentation and a fact sheet regarding the Q1 2024 results.

Enquiries

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Investor call
A conference call for analysts and investors will be hosted by the bank on Wednesday 15 May 2024. To participate in the conference call, we strongly advise analysts and investors to pre-register for the call using the information provided on the ABN AMRO Investor Relations website. More information can be found on our website, abnamro.com/ir.

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Information on our website does not form part of this Quarterly Report, unless expressly stated otherwise.

Disclaimer & cautionary statements
ABN AMRO has included in this document, and from time to time may make certain statements in its public statements, that may constitute “forward-looking statements”. This includes, without limitation, statements that include the words “expect”, “estimate”, “project”, “anticipate”, “should”, “intend”, “plan”, “probability”, “risk”, “Value-at-Risk (“VaR”)”, “target”, “goal”, “objective”, “will”, “endeavour”, “outlook“, “optimistic”, “prospects” and similar expressions or variations of such expressions. In particular, the document may include forward-looking statements relating but not limited to ABN AMRO's potential exposures to various types of operational, credit and market risk. Such statements are subject to uncertainties.

Forward-looking statements are not historical facts and represent only ABN AMRO's current views and assumptions regarding future events, many of which are by nature inherently uncertain and beyond our control. Factors that could cause actual results to deviate materially from those anticipated by forward-looking statements include, but are not limited to, macroeconomic, demographic and political conditions and risks, actions taken and policies applied by governments and their agencies, financial regulators and private organisations (including credit rating agencies), market conditions and turbulence in financial and other markets, and the success of ABN AMRO in managing the risks involved in the foregoing.

Any forward-looking statements made by ABN AMRO are current views as at the date they are made. Subject to statutory obligations, ABN AMRO does not intend to publicly update or revise forward-looking statements to reflect events or circumstances after the date the statements were made, and ABN AMRO assumes no obligation to do so.

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